

STATE BOARD OF EDUCATION MEETING
February 25–27, 2009
Boise State University
Student Union Building
Jordan Ballroom
Boise, Idaho



Wednesday, February 25, 2009, 1:00 p.m., UI Water Center, Seminar Room 348A, Boise, Idaho

EXECUTIVE SESSION (Closed to the Public)

Boise State University

1. Pursuant to Idaho Code Section 67-2345(c), for the purpose of conducting deliberations regarding a potential acquisition by Boise State University of an interest in real property that is currently owned by private parties.

University of Idaho

1. Pursuant to Idaho Code Section 67-2345(c), for the purpose of conducting deliberations regarding a potential acquisition by the University of Idaho of an interest in real property that is currently owned by private parties.
2. Pursuant to Idaho Code Section 67-2345(a), for the purpose of considering the hiring of a public officer, employee, staff member or individual agent.

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

Thursday, February 26, 2009, 8:30 a.m., Boise State University, Student Union Building, Jordan Ballroom

BOARDWORK:

1. Agenda Review / Approval
2. Minutes Review / Approval
3. Rolling Calendar / Approval

OPEN FORUM

CONSENT AGENDA:

BAHR – SECTION I – HR

1. Idaho State University – New Positions
2. University of Idaho – New Position & Reactivation
3. Lewis-Clark State College – Position Deletion

IRSA

4. Approval of Notice of Intent to Discontinue the Associate of Science in Nursing Program – Boise State University
5. Quarterly Report - Program Changes Approved by Executive Director

PPGAC

6. Alcohol Permits Issued by University Presidents

REGULAR AGENDA:

STRATEGIC PLANNING PRESENTATION

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. Presidents' Council Report
2. Boise State University Progress Report
3. Division of Vocational Rehabilitation Progress Report
4. Commission for Libraries Appointment
5. Item Pulled
6. Waiver - Fall ISAT Requirement
7. Board Policy – Executive Officer – 2nd Reading
8. Legislative Update

INSTRUCTION, RESEARCH & STUDENT AFFAIRS

1. College of Western Idaho (CWI) Request for Approval of Professional-Technical Education Programs and Options
2. Second Reading, Proposed Amendments to Board Policy III.D . Official Calendars
3. GEAR UP Evaluation Services
4. Revisions of Title III Accountability Procedures
5. Dual Credit Data Update

AUDIT – Rod Lewis

1. Audit Committee Charter

BUSINESS AFFAIRS & HUMAN RESOURCES

Section II – Finance

1. Intercollegiate Athletics – Financial Reports
2. Intercollegiate Athletics – Employee Compensation Reports

3. 2008 Financial Reviews
4. Boise State University – General Revenue Bonds
5. Boise State University – Purchase of Furnishings, Fixtures & Equipment for Norco Building, University Health Services
6. Idaho State University – Follett Higher Education Contract, Management of Bookstore
7. Idaho State University – Escrow Account for Enterprise Resource Planning
8. University of Idaho – Tenant Improvements at the Idaho Water Center
9. University of Idaho – Tenant Transfer of Real Property – Nez Perce County
10. Lewis-Clark State College – Proposed Financing for Purchase of Clearwater Hall
11. University of Idaho – Research Dairy
12. First Reading - Amendment to Board Policy – Section V.T., Tuition Waivers –

DEPARTMENT OF EDUCATION

1. Superintendent's Report
2. Weiser School District Tuition Waiver

OTHER / NEW BUSINESS

Friday, February 27, 2009, 8:30 a.m., Boise State University, Jordan Ballroom

Items not completed on Thursday, February 26, 2009 will be carried over to Friday, February 27, 2009.

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

1. Agenda Approval

Changes or additions to the agenda

2. Minutes Approval

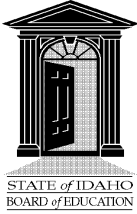
BOARD ACTION

To approve the minutes from the December 4-5, 2008 Regular Board meeting, the December 12, 2008 Special Board meeting, the January 7, 2009 Special Meeting and the January 26, 2009 Legislative meeting as submitted.

3. Rolling Calendar

BOARD ACTION

To approve January 25, 2010 as the date and Boise, Idaho as the location for the January 2010 Legislative meeting and to approve February 17-18, 2010 and Boise State University as the location for the February 2010 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
December 4 – 5, 2008
College of Western Idaho
5500 E. University Way, Room 116/119
Nampa, Idaho**

A regular meeting of the State Board of Education was held December 4-5, 2008 at the College of Western Idaho in Nampa, Idaho.

Present:

Milford Terrell, President	Paul Agidius, Vice President
Sue Thilo, Secretary	Richard Westerberg
Kenneth Edmunds	Rod Lewis (absent for Executive Session)
Tom Luna, State Superintendent	
Blake Hall (connected by telephone to the Executive Session and a portion of the Regular Meeting)	

EXECUTIVE SESSION

The Board met for Executive Session at 3:00 p.m. on Wednesday, December 3, 2008 in the Trout Room of the Hampton Inn, located at 5750 E. Franklin Road in Nampa, Idaho. A roll call of participants was taken. A roll call of members was taken; Board member Hall was present by phone and Board member Rod Lewis was absent.

M/S (Agidius/Edmunds): To move into Executive Session pursuant to Idaho Code on Wednesday, December 3, 2008 at 3:00 p.m. to consider:

- (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 Lewis-Clark State College of an interest in real property that is currently owned by private parties.**
- (2) A motion to hold an executive pursuant to Idaho Code Section 67-2345 (c) for the purpose of conducting deliberations regarding 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, motion passed unanimously**

During Executive Session, the Board discussed and considered as Trustees for Lewis-Clark State College the acquisition by Lewis-Clark State College of an interest in two separate parcels of real property, each of which is currently owned by private parties.

M/S (Agidius/Luna): To adjourn for the evening. Motion carried unanimously.

BOARDWORK

The Board convened for its regular business meeting at 8:00 a.m. on December 4, 2008. Board President Terrell presided. He noted that Board member Hall would be joining the meeting by telephone later in the morning.

Mr. Terrell thanked President Dennis Griffin of College of Western Idaho for hosting the meeting. He also introduced Dr. Cheryl Schrader from BSU, Dean of the College of Engineering who received the 2008 Hewlett-Packard/Harriett B. Rigas Award by the Institute of Electrical and Electronics Engineers Education Society. The award honors outstanding women who have significantly and positively impacted electrical and computer engineering education through excellence in teaching, encouraging participation of women in the engineering disciplines, demonstrating scholarship in the field and developing new pedagogical systems that enhance learning and industry.

BOARDWORK1. Agenda Review and Approval

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

By unanimous consent the Board agreed to pull item 10 of Section II (Finance) of the Business Affairs and Human Resources.

State Superintendent Luna asked to have discussion of the consent agenda items related to new positions from each institution. **By unanimous consent the Board agreed to Mr. Luna's request.**

2. Minutes Approval

M/S (Westerberg/Agidius): To approve the minutes from the May 22-23, 2008 Board Retreat, October 9-10, 2008 Regular Board meeting and the November 7, 2008 Special Board meeting, as submitted. Motion carried unanimously.

3. Rolling Calendar

M/S (Agidius/Thilo): To approve December 10-11, 2009 as the date and the College of Southern Idaho as the location for the December 2009 regularly scheduled Board meeting. Motion carried unanimously.

CONSENT AGENDA –

Items 1-5 were moved to the regular agenda in order to discuss them in further detail.

M/S (Agidius/Thilo): To approve item 6 of the Consent agenda. Motion carried unanimously.

6. PPGAC – Alcohol Permits Issued by University Presidents

Information item.

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS

1. Presidents' Council Report

President Jerry Beck reported that the Presidents' Council had been working on the common course numbering system used by the institutions. Registrars from the institutions have been made aware that they need to pay attention to Board policy. Dr. Beck noted that a form was created for students wanting to appeal credit transfer decisions. A copy of the form was handed out to Board members. Dr. Beck also reported that discussions regarding what constitutes full-time status at the institutions continue. He indicated that the Presidents' Council had been working with Dr. Rush and the Board office on strategic planning.

President Terrell asked to have the Presidents' Council include the Board's Executive Committee on the agenda of their next scheduled meeting. After discussion about the date of the next meeting, the Presidents' Council agreed to move its January meeting to Education Week.

Board member Thilo asked the Presidents' Council how its discussion on the twelve-credit issue related to the rule that is up for consideration later in the Board agenda. Dr. Kustra reported that the Presidents' Council discussion related to the pricing mechanism. Dr. Vilas asked the Board to be consistent with the federal guidelines related to twelve credits. President Terrell asked to have this topic included on the Presidents' Council January agenda. He also asked Board member Westerberg take part of that meeting.

At this time, Board President Terrell introduced Guy Hurlbutt and Jerry Hess, members of the CWI Board of Trustees. Jerry Hess came forward and thanked the Board for their contribution and support in the founding of the College of Western Idaho.

2. College of Western Idaho Report

Dennis Griffin, President of the College of Western Idaho (CWI) presented the report to the Board. He thanked Boise State University for their help in making it possible to host the meeting. He introduced Dr. Victor Watson and Cheryl Wright, members of his executive team at CWI. Mr. Griffin discussed in detail the establishment of the College. He thanked the CWI Board of Trustees for their hard work. Mr. Griffin summarized a number of the things that have taken place during the past fourteen months noting the College had to start from scratch.

Mr. Griffin thanked Dr. Beck and CSI for stepping up to assist CWI. A consultant has been hired to help throughout the transition period with the cost being equally shared by CWI, CSI, and the Division of Professional-Technical Education. Mr. Griffin noted the significant support it has received from BSU including the use of office space along with use of its computer network and phone system for a year. Mr. Griffin thanked Dr. Bob Kustra of BSU in particular for his tireless effort to get a community college established in the Treasure Valley.

In discussing the demand for programs, Mr. Griffin indicated that to date 1,193 students have applied. He noted that CWI's system of bringing students in is complicated due to the CWI/CSI connection which has to be navigated. It is anticipated that in the fall there should be a total of about 3,000 students. In terms of accreditation, Dr. Watson noted that according to the

Northwest accrediting agency, it will take at least five years. However, the College hopes to attain candidate-status in 2010.

Board member Lewis thanked all the people who served diligently and with great effort to get CWI to this point. He noted that the Board of Education played a significant role in this as well. He observed that Board member Blake Hall continued to push the Board in terms of the community college discussion. In addition, Dr. Kustra picked up the ball and pushed it forward. He thanked the CWI Board members for their commitment and ongoing work and involvement.

State Superintendent Luna noted that CWI is an asset to Canyon County. In regards to taking classes into the local high schools, Mr. Griffin noted that those talks are taking place; the local superintendents have been eager to work with CWI. In addition, Mayor Bieter of Boise has also offered the use of public buildings in Boise. Board member Thilo noted that the tremendous jumpstart that CWI has gotten from CSI, agencies, and members of the community will benefit the students.

3. Idaho School for the Deaf and Blind

Mary Dunne, Superintendent of the Idaho School for the Deaf and Blind (ISDB) presented her report to the Board. The School is in compliance with the federal disabilities act, with Idaho's quality standards, and with the national agendas for both blind and deaf students.

Ms. Dunne noted that ISDB's vision is "Education, Communication, and Independence for Life." ISDB's strategic plan aligns with the Board's strategic plan, it serves children from birth through age three, along with their families, in their homes and statewide; it serves 825 school-age children and their schools statewide by outreach consultants; and preschool children are educated in ISDB classes housed in their regions throughout the state.

Ms. Dunne reported that ISDB offers classroom learning, expanded core curriculum activities, the cottages, and transition classes on their campus. Work experience settings provide work experience through cooperative relationships. Technology is used in innovative ways to enlarge the community for students and staff while decreasing costs. There are a number of unique program supports, one of which is the Idaho Braille Production Center which produces Braille and Tactile Graphic materials for blind students throughout the state. In addition, audiology services on campus and around the state include evaluations, consultation, training, and loaner amplification devices in order to identify hard-of-hearing children and students earlier.

Campus enrollments as of the end of December have increased. ISDB is looking at other ways of delivering services including networking, advisory councils, evolution of philosophies, and looking at current practices and technologies. ISDB seeks to constantly raise the bar for their staff, their programs, and their services.

NOTE: For the record, Blake Hall joined the meeting at this time by phone.

Board member Thilo thanked Ms. Dunne and her staff for their help and support to the Board in crafting recommendations to move forward with educating the deaf and the blind. She commended Ms. Dunne for the growth in recent months and also for growth over the last year.

Board member Edmunds asked about ISDB and the holdbacks. State Superintendent Luna noted that he has had discussions about the possibility of moving the funding stream for the ISDB into the State Department of Education (SDE) budget so that it qualifies for monies from

the stabilization funds. That change would have to be legislated so it would not be a viable remedy for FY 2009.

Board member Edmunds asked what a 6% holdback would do to ISDB. Jeff Woods, Financial Vice President of the school, indicated they have been going through their budget. They hope to shift some things from the general funds to other funding streams. If they have to decrease staff, it would be in positions where there is the least amount of impact on the students and programs.

4. Idaho State Historical Society – Board Nominations

M/S (Agidius/Thilo): To approve the reappointment of Jess Walters, District 4 to the Idaho State Historical Society Board of Trustees for a term beginning January 1st, 2009 and ending December 31, 2014. Motion carried unanimously.

Board President Terrell introduced Jess Walters who was in the audience, and thanked him for his willingness to serve.

M/S (Agidius/Thilo): To approve the appointment of John R Walker, Jr., District 3, to the Idaho State Historical Society Board of Trustees for a term beginning upon appointment and ending December 31, 2012. Motion carried unanimously.

5. Eastern Idaho Technical College – Advisory Council Appointments

M/S (Agidius/Thilo): To approve the appointment of Sylvia Medina to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 31, 2011. Motion carried unanimously.

M/S (Agidius/Thilo): To approve the appointment of Maureen Parks to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 31, 2011. Motion carried unanimously.

M/S (Agidius/Thilo): To approve the reappointment of Terry Butikofer, Michael Clark, and Dr. Mary Girling Eastern Idaho Technical College Advisory Council for a term beginning January 1, 2009 and ending December 31, 2011. Motion carried unanimously.

6. Board Policy Section I.E. – Executive Officers – First Reading

M/S (Agidius/Thilo): To approve the first reading of the amendment to Board Policy I.E. -- Executive Officers.

Substitute Motion (Lewis/Thilo): To approve the first reading of the amendment to Board Policy I.E. -- Executive Officers with the stated intent of the Board to further modify the language to provide that the at-will policy of the Board supersede any employment contracts terms, and further that the language reflect the desire of the Board to allow for supplemental compensation from 3rd parties as long as it is provided through, and controlled by the Board. Motion carried 7 -1 (Hall voted Nay).

Board member Lewis noted some language issues. He pointed out that the policy relates to Chief Executive Officers (CEO), but takes away the definition of CEO. He raised several questions about added language under (3)c, wondering how a five-year contract and the CEO

being at-will are meant to work with each other. Jeff Schrader, the Board's legal counsel, explained that the CEO being at-will is consistent with the employee serving at the Board's discretion. The policy does make it possible for the Board to set up other terms and conditions of an employment contract and modify those provisions. Mr. Lewis indicated he wanted to be sure that the concept of an agreement doesn't eliminate the at-will power of the Board. Mr. Schrader noted that the employment agreement concept allows the Board some flexibility to modify the at-will concept if the Board so chooses; it doesn't require that the Board do so. He reiterated that the language in this policy would allow the Board to go in whatever direction it might want to take.

Board member Agidius noted that there is nothing that prohibits the Board from entering into a multi-year contract with a clause that allows the Board to terminate the employee at-will, but other terms can be added. Board member Edmunds clarified that the policy retains the at-will approach. Mr. Schrader indicated that when the policy was drafted it was with the intent to give the Board the ability to modify that policy. He emphasized that the Board staff is willing to go in whatever direction the Board members desire.

Board member Lewis supported the idea that the Board retains the at-will relationship. He does want the Board to move forward with the first reading and note the comments related to clarification.

Board member Lewis wondered if the policy, as amended, precludes the Board from providing supplemental or deferred compensation to the contract. Board President Terrell indicated that his intent is for the Board to be able to look at other areas of enticement as a recruiting and retention tool.

Board member Edmunds indicated that the policy restricts what the foundations can do. He wondered if in this time of budget constraints the policy should be eased to allow them to do more. Jeff Schrader noted that this policy was previously amended regarding compensating presidents with state funds. At that time, it was the direction the Board chose to take. He noted that should the Board want to change that, the policy language needs to be adjusted.

Board member Hall indicated that he opposed this modification to policy for two reasons. One, the Board needs to be transparent in the hiring of university presidents so that it is clearly understood that the presidents work for the Board and not for a foundation. In the past, when that was not the case, it caused divided loyalties and accountability issues which resulted in serious consequences for the institutions and the Board. Board member Hall indicated he was also opposed to the Board moving away from the at-will employment policy which this modification purports to allow. He reminded the Board that Board members are appointed and should enter into a contract with individuals that binds future Boards with regard to the employability of university presidents and decreases the accountability of the university presidents to the Board. He encouraged the Board to table this and to send it back to staff for correction so that the Board doesn't violate issues of trust that the public has placed in the Board.

Board member Lewis indicated he agreed with Mr. Hall's comments related to the compensation of university of presidents. Board member Lewis asked about the addition of language related to annual leave, wondering if it is a new policy. Mr. Schrader said that is the current policy for all non-classified employees. It has been inserted in this policy to clarify that policies for non-classified employees do not pertain to university presidents.

President Bob Kustra asked to speak to this item. He noted he came to BSU without a multi-year contract from an institution where he had a multi-year contract. He indicated that if Idaho is going into the public marketplace to compete for candidates, the good candidates will have two or three offers on the table. He suggested that multi-year contracts, for university presidents, are common practice at the national level. As far as foundation support to augment salaries of presidents, he suggested that it is also a common practice nationwide. Dr. Kustra explained that the AGB governing practices guidelines, used by boards, include that practice. He reiterated that good candidates have many offers and will take the best one. He reiterated that not considering both multi-year contracts and also augmented compensation packages presents a great hindrance to Idaho in terms of the kind of candidates it will attract and be able to hire.

Board member Lewis suggested it is important to allow for the possibility to turn to foundations. But, the Board must avoid the abuses of the past so that the Board is the one that is in control of what that compensation is. He suggested that this draft of the policy would allow for that. It deserves further debate as to what the process would be. He agreed that problems would arise if the Board allowed the foundations to develop direct relationships with the presidents related to compensation. He suggested that the policy doesn't preclude that. Board member Edmunds referred to 2.e. and noted that it does seem to prevent that from happening.

Board President Terrell suggested the discussion be sent to committee to go back to staff and rewrite the draft policy so that the concerns expressed can be incorporated. Board member Thilo thanked Board members for the discussion. She suggested the Board move forward with the first reading and make modifications prior to the second reading. She noted that it is important to have some of these changes in place in order to recruit qualified candidates for the current opening at the University of Idaho. She indicated she recognized strong controls would need to be in place, but that it is time to move forward with this. Board member Agidius clarified with legal counsel that the changes that have been recommended during the Board's discussion can be made within the bounds of a first and second reading. Board President Terrell noted that the Executive Committee endorses the concept.

7. Board Policy Section III.P. – Students – Second Reading

M/S (Agidius/Thilo): To approve the second reading of the amendment to Board Policy III.P.7. -- Definition of a Full-Time Student. Motion carried unanimously.

Board member Agidius explained that this amendment will align the Board's definition of a full-time student with federal guidelines at twelve hours versus eight. Board member Lewis clarified that this policy has been reviewed a number of times. He noted that there are fiscal consequences of going down this path.

In response to the question about fiscal impact on the institutions, Stacy Pearson from BSU indicated the institutions have looked at this and are in favor of this policy. The fiscal impact to BSU in the coming year, because of the budget reductions as well as the loss of the Selland College, will be there. BSU is supportive nonetheless of this change, with a two-year implementation period. She noted that BSU expects that the part-time rate will go down over time. State Superintendent Luna wondered why the institutions wouldn't wait to adopt this policy until the conditions are better fiscally. Ms. Pearson said that for BSU it would be best if this were delayed until the budget picture of FY 2010 is clearer. She emphasized that she wasn't speaking for the other institutions.

It was noted by legal counsel that it is possible for the Board to add a delayed implementation caveat to the policy before the second reading.

Dr. Jim Fletcher of Idaho State University (ISU) noted that approving this would allow the institutions to move through the system in a more timely fashion. He agreed that there is an implementation time required, but ISU has factored that into their budget planning.

Lloyd Mues of the University of Idaho (UI) echoed that UI sees this as something that needs to go forward. He suggested it is in the collective best interest to do so and noted that BSU is in a unique situation with the transfer of the Selland College and the loss of those students. The other institutions are not in that same predicament.

Chet Herbst of Lewis-Clark State College (LCSC) agreed that this is appropriate action and a way to influence the behaviors of future students. He noted that the Financial Vice Presidents have looked at this very closely and agree it is the right step.

Board member Agidius asked if it is possible to pass this with a deadline that has to be met. Board member Edmunds clarified that the purpose of this is to meet federal guidelines. There was a suggestion to modify the motion to include an embedded implementation date.

Ms. Pearson noted that the policy is fine, but BSU needs time to adjust the part-time rate. She suggested moving ahead with the change in the definition, understanding that the institutions are committed to implementing it and bringing the rates down. The other Financial Vice Presidents indicated they concurred. Board member Westerberg clarified that the motion pertains to the change in full-time credit hours in order to align with federal guidelines.

8. Delegation of Authority – Residency Appeal Determination

M/S (Agidius/Thilo): To designate the Executive Director as the Board’s representative for reviewing residency determinations and authorizing the Executive Director, after such review, to issue the decision of the Board based on such review. Any such appeal requests to the Board will be submitted to the Chief Academic Officer for review and determination of recommended action, and then forwarded to the Executive Director for a final determination. Motion carried unanimously.

Board member Lewis asked for clarification and Jeff Schrader explained that Idaho Statute does not set out an appeal right to the Board; rather it sets out the appeal rights of the student to the district court. He noted that the Board’s rule provides that the appeal can be made to the Board or its designee. It doesn’t provide any additional guidance as to who that designee is. He noted that the purpose of this amendment is to clarify who that designee should be.

Dr. Rush indicated that there have been appeals in the past, but they have been dealt with by the Board office in the past. Dana Kelly of the Board staff explained that in previous years, the Chief Academic Officer was the designee of record. In addition the Executive Director heard appeals. She reminded the Board that these appeals have very sensitive information and while it is the Board’s prerogative to hear the appeals, the more privately they are considered, the better.

9. Delegation of Authority – Rural Physicians Incentive Fund Advisory Committee

M/S (Agidius/Westerberg): To delegate the authority of the Board for the appointment of the Rural Physicians Incentive Fund Oversight Committee to the Board’s Executive Director. Any such appointments by the Executive Director shall be reported to the Board at its next regular scheduled meeting. Motion carried unanimously.

10. Pending Rule – Docket 08-0203-0805 – Graduation Requirements

M/S (Agidius/Westerberg): To approve the pending rule, Docket 08-0203-0805, IDAPA 08.02.03.105, Rules Governing Graduation Requirements, as submitted. Motion carried unanimously.

Dr. Rush noted that two people were in the audience to speak to this issue. Jim Reed, Superintendent of the Weiser School District was introduced. He serves this year as the President of the Idaho School Superintendents Association (ISSA). Mr. Reed explained that superintendents have discussed the readiness of schools to implement the science graduation requirement related to 10th grade ISAT testing. He asked that the Board consider a later implementation date beyond 2013 so the schools have time to put the critical elements in place. He discussed the need for a data stream and scaffolding. In addition, current science classes are not integrated and there is a need to restructure and rewrite the science curriculum. He indicated that districts are concerned about Plato software and are not in a position to purchase different software at this time. He noted that in light of the many challenges placed on schools right now, a science ISAT graduation requirement is an additional burden. On behalf of ISSA, Mr. Reed asked the Board to postpone this until science ISATs can be used in grades 8 and 9, science curriculum can be rewritten, and the Board has some agreement in place regarding Plato.

Joe Kelly, Curriculum Director from Meridian School District, discussed issues from the perspective of his position and experiences. He acknowledged the need to improve science and math content and requirements. He pointed out that the simplest part of the process is creating the standards. Mr. Kelly explained how involved and time-consuming implementing new standards are for the district and for schools. Curriculum development and rewrites must be undertaken. That results in major adjustments in instructional practices, followed by exam development to align it all. Meridian has already initiated an effort to align courses and the efforts are ongoing. To this point, Meridian has spent \$2.2 million on this effort. He indicated that none of this takes into consideration the students who have had to be removed from the program for remediation and the cost incurred in doing that. He noted this is the second time the district has had to go through this process. The numerous efforts and cycles of development with every standard overhaul are costly in terms of time and resources. He suggested that the current process does not have adequate data and is a hardship for students going into their junior year who are found lacking. He pointed out that the tests don't provide any way to determine which concepts or content the students need remediation in. He reiterated that additional time to evaluate, adjust, and implement is critical and encouraged the Board to consider that in their decision making.

State Superintendent Luna indicated that he supports this motion to establish the date. He also noted that in the first year of the 10th grade science ISAT, over 50% passed. When the bar was raised, over 65% passed. As compared to other disciplines, the numbers are not that far off. And, the gains made were greater than in some of the others. Mr. Luna explained that this is about raising the bar and while it is a hardship on the adults, it is essential for the students. As far as adequate funding, he noted that considerably more funds are going out to districts for remediation, based on the number of students struggling with the ISATs. He pointed out that this graduation requirement is essential.

Board member Edmunds asked for clarification on the 8th and 9th grade ISATs and the costs. Mr. Luna noted there hasn't been an 8th or 9th grade science ISAT. Dr. Rush pointed out the

change in the pending rule is from 2012 to 2013. If the pending rule is not passed, then the state falls back to the original date prior to the 2012 temporary rule implementation.

Board member Edmunds clarified with Mr. Luna his desire to implement a 9th grade ISAT. Mr. Luna noted that he is under the impression that we test too much, although he is in favor of a 9th grade science ISAT. He indicated that what many districts are doing are end-of-course exams and that is something he has discussed with folks. Mr. Reed agreed that they want to raise the bar and no superintendent or teacher wants anything other than that. He reiterated that his point is that the districts are not prepared to remediate another large number of sophomores in two years. That is a harsh lesson they have learned from other ISATs.

11. Pending Rule – Docket 08-0111-0802 – Registration of Postsecondary Educational Institutions and Proprietary Schools

M/S (Agidius/Thilo): To amend the Temporary Rule and approve the Pending Rule, Docket 08-0111-0802, Registration of Postsecondary Educational Institutions and Proprietary Schools, IDAPA 08.01.11., as submitted. Motion carried unanimously. (Note: this motion was re-read later in the meeting for clarification.)

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

Higher Education

1. Boise State University/College of Western Idaho Teach Out Memorandum of Understanding

M/S (Thilo/Agidius): To approve the Teach-Out of PTE certificates and select AAS degrees between Boise State University, the College of Western Idaho, and the College of Southern Idaho, in substantial conformance to the version attached, and to authorize Boise State University to continue to award professional-technical certificates and certain AAS degrees from July 1, 2009 until May 30, 2011 in order to ensure the appropriate degree continuation for eligible Seland College students. Motion carried unanimously.

2. Formation of a Task Force to Examine Alternative Approaches for Placement of Students into First-Year Courses (English 90, 101, 102)

Board member Thilo briefly presented this information item.

3. South Central Local Operations Committee – Summary Report

Board member Thilo briefly presented this information item.

4. Federal Academic Competitiveness Grant Program – Idaho's Proposal for a Rigorous High School Program of Study

M/S (Thilo/Westerberg): To retain the Idaho State Board of Education Governing Policies and Procedures Section III.Q., Admissions Standards as the rigorous secondary school program of study for Idaho to meet the requirements for the Academic Competitiveness Grant program. Motion carried unanimously.

Dana Kelly of the Board staff briefly discussed this item. She noted that there were four programs offered to us by the U.S. Department, however Idaho chose an alternative proposal.

She explained that many of Idaho's college bound students may qualify under Idaho's proposal who wouldn't otherwise qualify. Eligible students receive additional federal funds to be used towards the cost of their postsecondary education. No additional state funds are required for Idaho students to participate. Board member Lewis clarified that there were four programs offered to us by the U.S. Department, however Idaho chose an alternative proposal

5. First Reading – Proposed Amendments to Board Policy III.D. – Official Calendars

M/S (Thilo/Luna): To approve the first reading of the proposed amendments to Board Policy III.D. Official Calendars as presented. Motion carried unanimously.

6. Appointment for Council for the Education of Students Who Are Blind/Visually-Impaired and Deaf/Hard-of-Hearing

M/S (Thilo/Agidius): To appoint the following individuals, listed in Attachment 1, to the Advisory Council for the Education of Students Who Are Blind/Visually-Impaired or Deaf/Hard-of-Hearing. Motion carried unanimously.

AUDIT COMMITTEE

1. Appointment of Committee Members

M/S (Lewis/Thilo): To approve the appointment of Naomi Shankel to the Audit Committee for a three year term ending December 31, 2012. Motion carried unanimously.

M/S (Lewis/Thilo): To approve the appointment of Mark Heil to the Audit Committee for a two year term ending December 31, 2011. Motion carried unanimously.

At this time, Board member Agidius clarified an earlier motion (item 11 of the Planning, Policy and Governmental Affairs agenda) reading it as it should have read which is as follows: "To amend the Temporary Rule and approve the Pending Rule, Docket 08-0111-0802, Registration of Postsecondary Educational Institutions and Proprietary Schools, IDAPA 08.01.11., as submitted."

By unanimous consent, the Board agreed to this clarification and asked that it be reflected in the earlier motion.

BUSINESS AFFAIRS AND HUMAN RESOURCES

At this time the Board took up items 1 – 5 of the Consent Agenda for further inquiry. State Superintendent Luna was asked to lead the discussion. Mr. Luna asked that the institutions speak to the impact of budget holdbacks related to the plans of the institutions to fill new positions.

Stacy Pearson of Boise State University said BSU takes the holdback and the request for positions very seriously. She noted that BSU has been strategic in order to protect instruction. These position requests have been well-vetted. Only a few of the positions are funded with state funds. Most of the positions being requested are funded by local funds; some are funded as a result of reorganization. Mr. Luna wanted to know if BSU would ask for an increase in student fees because of the new positions and changes. Ms. Pearson said BSU would not come in for a request for increase for student fees because of these positions. These positions have already

been accounted for because they have been filled by adjunct faculty. Reductions in operations and other measures will be undertaken. Board member Edmunds noted that by December 15 institutions have to notify non-tenured faculty about pending terminations. Ms. Pearson indicated that BSU is not planning to take exigency, but it is looking at every area in terms of reducing the budget. Mr. Luna asked how many vacant position BSU is choosing not to fill at this time. Ms. Pearson indicated that BSU reviews the list every week. She will be glad to give Mr. Luna those figures.

Board member Westerberg indicated that it would be helpful in the future to have the net effect of adding and deleting these positions included in the Board materials.

Jim Fletcher of Idaho State University said ISU operates within an overall plan. Of the positions requested, only one is state funded. In terms of how ISU operates, the University looks at every state funded position with great scrutiny to make sure it is essential to accreditation, instructional necessity, and key to the operation of a function. In terms of advising second year faculty of non-renewal of contracts by December 15, ISU is considering that notification. He noted that central to their plan is protecting core faculty. ISU is not considering exigency.

Lloyd Mues of the University of Idaho indicated that UI is asking for five reactivations. These positions have been vacant for up to twelve months. Cost is neutral on those five. There is no request for exemptions or additional appropriated funds. Student fees will not be used to pay for these positions. UI operates with a position-pause which means it does not fill a vacant position without further consideration of its necessity. Significant dollars savings have resulted to date using this approach. Mr. Mues indicated that the University is looking at the possibility of notifying faculty on December 15 of non-renewal of contracts, but it has not been decided to do so at this time. As far as exigency, UI has a heightened awareness due to the situation, but is not planning on exigency.

Chet Herbst of Lewis-Clark State College reported that its request is for two part-time positions and both are grant funded. In the bigger picture, LCSC is asking to delete 4.6 FTEs. LCSC is not contemplating student fee increases or reductions based on the position changes. LCSC is looking at vacant positions right now to use towards the holdback. They will be cutting back on operating expenses as well. The institution is not considering exigency in FY 2009, but in terms of FY 2010 it is difficult to say at this time without knowing the full impact of reductions and fiscal constraints. LCSC is aware of the timelines for notifying staff by December 15, but at this time there is nothing to report. He noted that notification of staff in different groups would be done with great transparency.

Burton Waite of EITC reported that Eastern Idaho Technical College is asking for a reallocation of positions. It is looking for a new data base system for the College. The positions are essential to that effort. These requests align the skills needed with the implementation of the data base. He noted that these requests will have no effect on what happens with fee increases. As far as financial exigency, that is not on the table at this time. He noted that EITC has been working since last July in anticipation of what has occurred. They have identified how to meet the hold backs without impacting faculty to date.

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

M/S (Westerberg/Thilo): To approve the request by Boise State University for ten (10) new positions (10.0 FTE); term, salary, FTE change to one (1) position (1.0 FTE); and deletion of one (1) position (1.0 FTE). Motion carried 7-1 (Hall voted nay).

2. BAHR – Section I – Idaho State University – New Positions

M/S (Westerberg/Thilo): To approve the request by Idaho State University for nine (9) new positions (8.55 FTE). Motion carried 7-1 (Hall voted nay).

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

M/S (Westerberg/Thilo): To approve the request by the University of Idaho to establish two (2) new positions and reactivate five (5) positions supported by appropriated funds. Motion carried 7-1 (Hall voted nay).

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

M/S (Westerberg/Thilo): To approve the request by Lewis-Clark State College for two (2) new positions and five (5) deleted positions. Motion carried 7-1 (Hall voted nay).

5. BAHR – Section I – Eastern Idaho Technical College – Reallocations of Positions

M/S (Westerberg/Thilo): To approve the request by Eastern Idaho Technical College for the reallocation of two (2) positions (2.0 FTE). Motion carried 7-1 (Hall voted nay).

Section I – Human Resources1. Item pulled from the agenda2. Boise State University – Employment Contract – Director of Athletics

M/S (Westerberg/Thilo): To approve Boise State University's request to enter into Addendum Three to Employment Contract with Director of Athletics Gene Bleymaier as presented.

First Substitute M/S (Lewis/Thilo): To approve Boise State University's request to enter into Addendum Three to Employment Contract with Director of Athletics Gene Bleymaier as presented, with the following modification of the marked copy under tab 2 page 7 where the asterisk is and deleting the words "may be" so that it reads "subject to the approval of the Board of Education."

Second Substitute Motion (Luna/___): To amend the substitute motion to change bullet point 2 from \$125,000 appropriated funds back to \$106,800 of appropriated funds and leaving number 2, letter b at \$141,115. (Motion failed for lack of a second.)

Second Substitute Motion (Agidius/Luna): That the total salary be \$266,115 with no more than \$106,800 coming from state general account.

Third Substitute motion (Luna/Lewis): To approve Boise State University's request to enter into Addendum Three to Employment Contract with Director of Athletics Gene Bleymaier as presented with the following modification of the marked copy under tab 2 page 7 where the asterisk is and deleting the words "may be" so that it reads "subject to the approval of the Board of Education." And, also to increase the salary to \$266,115 with \$106,800 coming from state general account funds and the balance coming from the athletic department funds. Motion carried 7-1 (Hall voted nay).

Board President Terrell noted this was brought before the Board's Athletic Committee which is made up of Ms. Thilo, Mr. Agidius, and Mr. Terrell. They have carefully reviewed it and give it a do-pass recommendation. Board member Lewis asked about increases being approved by the president of the institution rather than by the Board. Kevin Satterlee of BSU noted that this provision allows for increases such as a blanket 3% increase from a pool of funds that would be granted to employees for performance or merit raises. Mr. Satterlee noted that the Board does have policies that limit the amounts that can be granted without Board approval.

Board member Lewis indicated he has discomfort in allowing the president to approve an increase without Board approval. He asked if the Board desired to approve the contract subject to BSU bringing it back after considering that point further. Board President Terrell suggested that the motion be modified to read subject to Board approval rather than president approval. Kevin Satterlee referred to page 2 of tab 7 the second line from the end where it says "may be" so that it reads "subject to approval of the Board of Education". Mr. Lewis indicated that would be agreeable to him.

Board member Hall observed that when other hardworking state employees are not getting salary increases, it doesn't seem right that a salary increase is awarded for athletic performance. Mr. Luna indicated he agreed with Mr. Hall. He doesn't have a problem with increasing the pay out of the athletic department, but not out of state funds. Mr. Satterlee provided information on how much of the salary increase would come from the various sources.

There was discussion about how the motion should read. Mr. Luna explained that this would result in no salary increase from state appropriated funds. Mr. Westerberg suggested that the language say that the amount of appropriated funds stay the same.

3. Idaho State University – Employment Contract – Head Women's Soccer Coach

M/S (Westerberg/Agidius): To approve the request by Idaho State University for a multi-year employment agreement as submitted for Allison Gibson, Head Women's Soccer Coach (1.0 FTE).

Board member Edmunds asked for clarification. Brad Hall, legal counsel for Idaho State University, noted that this provision regarding termination and rights is typical of multi-year employment contracts for athletics which rules out the at-will concept. Mr. Edmunds wondered why the Board pursues at-will contracts for some folks and not for others. Board member Lewis explained that the Board's insistence for at-will has been specific to executive directors and presidents whereas there are other categories of employees where that hasn't been a focus.

Board member Edmunds indicated that this contract, under 5.2.2., calls for compensation until the person finds other employment. He indicated that the Board had previously discussed different language to be used. Board member Agidius suggested approving the contract with the stipulation that the wording in this provision include the new language.

Kent Nelson of the University of Idaho was invited to share his perspective on the best language based upon his experience with these types of contracts. Mr. Nelson indicated that UI offsets the compensation so that the institution pays a portion if other employment is undertaken at a lesser amount. The Board asked him to work with the Board's legal counsel and ISU to get that language into their contract.

By unanimous consent, the Board agreed to postpone this item until later in the agenda.

Note: the final motion appears between items 5 and 6 of the finance agenda.

4. Office of the State Board of Education – Permission for Earning Outside Income by the Executive Director

M/S (Westerberg/Agidius): To authorize the Executive Director's involvement in other outside activities that have the potential for resulting in supplemental benefits or compensation, and to approve the receipt of any supplemental benefits or compensation derived there from, as specified in the letter to the President as Attachment 1. Motion carried unanimously.

Section II – Finance

1. Amendment to Board Policy – Sections V.I. Real and Personal Property and V.K. Construction Projects – Second Reading

M/S (Westerberg/Luna): To approve the second reading of the amendment to Board Policy V.I. – Real and Personal Property Services. Motion carried unanimously.

Board member Westerberg presented this item. He noted this came to the Board previously with increased limits. In this version the limit stays the same.

M/S (Westerberg/Thilo): To approve the second reading of the amendment to Board Policy V.K. – Construction Projects. Motion carried unanimously.

2. University of Idaho – Kibbie Dome – Life Safety Improvement Project

M/S (Westerberg/Agidius): To approve the request by the University of Idaho to implement the Initial Construction Phase for the life safety improvements in the ASUI Kibbie Activity Center, at a cost not to exceed ten million dollars (\$10,000,000), resulting in a total project authorization value up to twelve million dollars (\$12,000,000). Motion carried unanimously.

Lloyd Mues presented this item. He noted it is not a new issue. UI is asking for permission to move forward with construction on life safety improvements of the Kibbie Dome. He presented more details and gave a status report to the Board.

Board member Lewis indicated that the financing question is critical to consider given the current economic picture. Lloyd Mues explained that UI had anticipated bonding, but right now their credit rating would drop so much UI was advised not to take that route. UI has worked with its bank which agreed to give the University a short-term construction loan. He explained the University's plan in terms of financing to make sure payments can be made.

State Superintendent Luna asked if UI is still comfortable with their financial plan. Mr. Mues said this plan is already in place and will play out in such away without asking for any increase in their plan. Board member Edmunds asked if construction estimates have been determined and if a construction design person has been hired. Mr. Mues noted that last week a construction design person was hired. He also indicated that UI found some efficiencies on the design so that the original early cost estimates have been reduced.

3. University of Idaho – Kibbie Dome – Life Safety Construction Loan

M/S (Westerberg/Agidius): To approve the request by the University of Idaho for a non-revolving line of credit with a principal amount not to exceed ten million dollars (\$10,000,000) and with a term of 24 months, requiring payments of interest only at an interest rate set at the Wells Fargo Prime less .65%, and to authorize the President of the Board to sign the Authorizing Resolution and to further authorize the Vice President of Finance to execute the Loan Agreement and Promissory Note, all in substantially the same form as attached to the board materials under this agenda item, as well as such other associated documents necessary to carry out the Loan Agreement. Motion carried unanimously.

Board President Terrell asked how UI will secure the note. Lloyd Mues indicated that UI has already coordinated with Wells Fargo and they have already looked at the draft and are convinced that their risk is fine. Mr. Mues noted that the activity fee is the collateral. Board member Lewis directed Mr. Terrell to the details provided in the Board materials.

4. University of Idaho – Educational Broadcast Service Lease

M/S (Westerberg/Agidius): To approve the request by the University of Idaho to enter into a lease of its EBS FCC License to Digitalbridge Spectrum Corporation in substantially the same form as the attached lease and to authorize the Financial Vice President to execute all necessary related documents. Motion carried unanimously.

5. University of Idaho – Research Diary Progress Report

Board member Westerberg introduced Rich Garber and Kent Nelson of the UI to present this item. Handouts were provided to the Board. It was noted this is a report on the concept. UI expects to bring back a full proposal to the Board along with a complete funding package.

At this time, the Board returned to item 3 of the Human Resources Agenda

3. Idaho State University – Employment Contract – Head Women's Soccer Coach

Amended M/S (Westerberg/Thilo): To approve the request by Idaho State University for a multi-year employment agreement with changes in attached document 5.2.2 as submitted for Allison Gibson, Head Women's Soccer Coach (1.0 FTE). Motion carried 7-1 (Edmunds voted nay).

By unanimous consent, the Board agreed to accept the modification of Mr. Westerberg's motion.

At this time the Board returned to the Finance Agenda, item 6

6. Lewis-Clark State College – Property Purchase – Clearwater Hall

M/S (Westerberg/Agidius): To approve the request by Lewis-Clark State College to offer \$4.5M to College Town Development Idaho, for the purchase of Clearwater Hall; and, if accepted, to seek financing for the purchase and improvement expenditures through a note secured by student revenues and fees, subject to future Board approval of finance terms. Motion carried 6-0 (Luna and Lewis absent during the vote).

Board member Edmunds noted the motion didn't allow for a build out and financing costs so LCSC needs permission for an additional \$300,000.

M/S (Edmunds/): To approve up to an additional \$300,000 for financing and build out costs if necessary. (Motion failed for lack of a second.)

M/S (Edmunds/): To amend his motion to read “up to an additional \$100,000 for financing costs”. (Motion failed for lack of a second.)

Board member Hall asked if it was appropriate to consider additional financing action at this time. Jeff Schrader indicated that the notice about the property transfer was the only thing posted in the Board agenda. Board member Agidius suggested that \$100,000 would be directly related to the purchase of the property and should fall under that notice. After clarifying with LCSC, Board member Westerberg suggested that LCSC bring the details of the financing back to the Board after the offer is accepted; and, that the Board wait until then to consider further action.

7. Lewis-Clark State College – Property Purchase – Parking Lots

M/S (Westerberg/Thilo): To approve the request by Lewis-Clark State College to purchase the property at 1014 4th St., Lewiston, Idaho, for \$141,000; and to authorize LCSC to acquire fee title to the property by condemnation under the provisions of Idaho Code, should the President of LCSC determine that such action is necessary. Motion carried unanimously.

Board member Edmunds asked about the language related to condemnation. Board President Terrell indicated this is normal.

8. Lewis-Clark State College – Property Sale – York House Lots

M/S (Westerberg/Hall): To approve the request by Lewis-Clark State College to sell the properties located at 508 6th Avenue and 512 6th Avenue, Lewiston, Idaho. Sale closing would be subject to Board approval of purchase agreement upon receipt of offers for one or both of the properties. Motion carried unanimously.

Board President Terrell raised a question about the sale price. Chet Herbst noted that LCSC is selling the properties for appraisal or higher price. There has been interest expressed in both properties.

9. College of Western Idaho – Property Transfer

M/S (Westerberg/Agidius): To approve the transfer of the 100 acres as described in Exhibit “A” of the Grant Deed and to approve the request by the College of Western Idaho

that the State Board of Education enter into and execute the Educational Facility Property Transition Agreement and the Facilities Use Agreement.

Substitute M/S (Westerberg/Agidius): To postpone this item until later in December as determined by the President of the Board for reconsideration at a special meeting. Motion carried unanimously.

Board member Lewis raised a question about access. Board President Terrell noted that he was involved in those discussions. The way the property is split and parceled provide for several entrances that would be available to all entities using the complex. BSU would have availability to all of the entrances and roads and also an easement for signage at specific locations. Board member Agidius indicated that the language in the agreement doesn't reflect such an agreement about easements and Board member Lewis concurred.

Board President Terrell articulated his concerns related to the issue of easements at length. Kevin Satterlee suggested that if the Board is willing, it approve the motion with the understanding that CWI and BSU will work on the language related to the easement and subject to final approval of the Board. Ultimately, this item was postponed to allow the attorneys from CWI and BSU to work on language related to the easement.

Board member Lewis asked about the language on tab 9 page 18 related to the grantor. He asked about the word ancillary and suggested some sort of change to clarify that the services are related to the purposes of the community college.

At this time Board member Hall signed off from the meeting.

10. College and Universities – Approval to Submit Fee Increases in Excess of Ten Percent

This item was pulled from the agenda.

11. Amendment to Board Policy – Section V.W. - Litigation

M/S (Westerberg/Agidius): To approve the second reading of Board Policy V.W. – Litigation with a revision of the threshold for institution approval increasing to \$50,000 for both initiation and settlement of legal matters. Motion carried unanimously.

Board member Westerberg presented this item. Board member Agidius indicated this is a good threshold. He noted that the Board would still be advised of all litigation and settlements regardless.

At this time Dr. Kustra of Boise State University acknowledged the role that Dennis Griffin has played in getting the College of Western Idaho established. He also thanked Sona Andrews, Stacy Pearson, and Kevin Satterlee of Boise State University for their leadership and patience. He expressed appreciation to Rod Lewis and Milford Terrell of the Board of Education for their hard work as well. Dr. Kustra presented Mr. Griffin with a framed picture of the CWI campus as an expression of his thanks.

DEPARTMENT OF EDUCATION1. Superintendent's Update

Tom Luna updated the Board. He noted that student achievement has increased, but there is more to do. He reported that the number of schools making AYP over the last year doubled, with many of those schools making AYP for the first time. Mr. Luna discussed the contract with Plato and noted that as of today, it has been able to achieve over 90% alignment to the standards.

Mr. Luna discussed the budgets of the Department of Education (SDE) and the Public Schools. He noted that SDE's budget is not exempt from the holdback and it is absorbing the four percent holdback with two percent additional in reserve. SDE has been utilizing a cost-saving approach, as well as reorganizing their office space and saving money there. It has reduced printing costs in addition to added savings through travel and supplies. SDE has not had to let any employees go so far; they will be able to offer the same level of service. Mr. Luna indicated that if there are additional reductions in FY 2010, SDE will continue to make necessary adjustments to deliver good services.

In regards to the School budget, Mr. Luna is concerned that SDE will need to consider other options in addition to tapping into the stabilization fund. He has been in communication with the districts to look immediately at ways to save money now. He anticipates Public Education will be held whole this year, but will likely get less money next year.

2. College of Idaho Program Approval

M/S/ (Luna/Westerberg): To accept the State Review Team Report, thereby granting program approval of Math, Physical Education, Science (Chemistry and Physics), Visual Arts (Art, Music, and Theatre/Drama) at the College of Idaho. Motion carried unanimously.

3. Teacher Performance Evaluation Task Force Update

Nick Smith for the Department of Education presented an overview for the Board of the work of the task force. Goals included incorporating multiple measurements of effectiveness and achievement, communicating clearly defined expectations, enhancing and improving student learning, and applying universally no matter the district size or location. The task force adopted Charlotte Danielson's Domains and Components and Idaho Minimum Standards as the minimum standards for teacher evaluation. This is what will be proposed to the Legislature in 2009. The task force is recommending statute and rule changes to require that category one contract teachers be included in the evaluation process. Technical assistance will be provided, including regional trainings on the Danielson Framework. He explained the timeline.

Board member Thilo asked what would prompt a district to seek a waiver. Mr. Smith indicated that the timeline is ambitious and that districts are facing other major institutional changes so may need more time.

Board member Lewis asked about the evaluation of the outputs. Mr. Smith indicated that it can be summed up by how much a teacher helped a student get from point A to point B. A highly effective educator should be able to do that and the Danielson Domains are set up to identify that. Board member Lewis urged Mr. Luna to include a goal to measure progress.

Executive Director Rush suggested it would be helpful to have a state model that could be used. Mr. Luna noted that SDE has designed a framework that the districts can use.

4. Dual Credit Task Force Update

Jason Hancock presented a report on the Dual Credit Task Force. He noted that the taskforce was charged to study and develop a plan for implementing concurrent secondary/postsecondary courses offered to qualifying eleventh-grade and twelfth-grade students in Idaho's public high schools. In addition, the task force was to develop a statewide unified plan for delivering concurrent college credit coursework to high school students. The task force recommendations include having the state help pay the credit fees for students so that classes are more affordable and accessible to the general population. A reporting and payment structure would be put into place so that SDE could pay those fees directly to the postsecondary institutions. The funds for this would come out of the Public Education budget. It is anticipated that the Dual Credit Task Force will finalize their work in December and make recommendations to the Governor and the Idaho Legislature in 2009. Mr. Hancock acknowledged that the budget cuts could impact the extent of what can be approved in FY 2010.

Board member Agidius raised a point about the possibility some districts have suggested that the postsecondary institutions give them a portion of any money they collect for offering dual enrollment courses. He suggested that serious issues could result if that is the case. Mr. Luna indicated that he is not aware of that situation happening, but would look into it further.

5. Math Initiative Update

Cindy Johnstone presented an update to the Board. Idaho's Math Initiative aims to improve student understanding and performance in mathematics and elevate public awareness of its importance. The Math Initiative has three focus areas: student achievement, teacher education, and public awareness. Ms. Johnstone discussed these areas in more detail to bring the Board up-to-date on the status of the Math Initiative. Mr. Luna indicated that the number of students using the live tutor capabilities is expected to increase next semester.

6. Middle School Task Force Update

Rob Sauer presented the Middle School Task Force report to the Board. He noted that the purpose of the task force includes: improving rigor, relevance, relationships and responsibility in the middle grades; identifying pockets of success; and, ensuring that every student is prepared to be successful in high school. Mr. Sauer pointed out that the main focus of the task force recommendations is on student responsibility. Related to that, the task force will recommend the implementation of a credit system no later than the 7th grade. The task force recommends having a systematic approach for student transition from middle to high school. Interventions must also be in place to help students who are failing. Professional development for teachers is important so that they can connect more rigorous curriculum to teaching. It is recommended that certification and/or endorsement be in place at the middle school level. He noted that it has been demonstrated that an adult advocate for every student contributes to a student's chances for success. The Middle School Task Force will finalize their work by fall of 2008 and make recommendations to the Idaho Legislature, the Board, SDE, and school districts by January 2009.

Board member Lewis raised concerns about whether these recommendations actually increase rigor in the middle grades. Mr. Luna explained that the focus is rigor, relevance, and relationships. The current rigor continues to be raised. But, getting students to be more

responsive and accountable with the current rigor is also an issue that needs to be addressed because so many of them don't take it seriously. Mr. Sauer noted that this effort includes getting the students engaged and gives them a starting point. Board member Thilo suggested this helps to change the focus and the culture of middle school mindset. The rigor is important and this is a building block to get to it. It puts a structure in place.

7. Rural Education Initiative Update

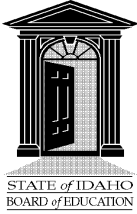
Nick Smith presented this report to the Board. He briefly discussed the desired outcomes which include increasing the number of highly qualified teachers in rural districts, improving retention of highly qualified teachers, closing the technology gap between rural and urban schools, and establishing a way for rural districts to improve their facilities. Mr. Smith noted that the task force has been meeting for two years. This past year the task force focused on topics related to rural education including: four-day school weeks, defining what rural means in Idaho, transportation funding, school district consolidation, supplemental levies, facilities, student loan forgiveness, and teacher recruitment. Some of the solutions the task force discussed include establishing a statewide education network to connect all schools to high speed internet, establishing regional co-ops to provide needed services to the districts, and making it possible for districts to have more flexibility in hiring teachers. The Public School budget for FY 2010 includes a number of recommendations related to rural education needs. The recent budget cuts will obviously impact what kind of funding will actually be available. On an added note, Mr. Smith noted that the results of the four-day school week study were inconclusive as to whether or not a four-day school week has a positive or negative impact on student achievement. School attendance usually improves and while there are cost savings, they are not as substantial as one might expect.

8. Safe and Secure Schools Initiative Update

Matt McCarter updated the Board on the Safe and Secure Schools Initiative update. He noted that districts feel overwhelmed in tackling the implementation of an emergency operation planning guide for their schools. The Department has worked to ascertain safety and security gaps with an assessment. One of the areas of assessment is how well, if at all, a school is able to control who comes onto its campus. Findings are that 85% of Idaho's schools are partially or fully inadequate in the safety and security they provide. To address these issues, federal money has been pursued along with some other approaches in order to shore up the gap. Emergency Operations Planning is one of those approaches. Related to that, a template has been designed and SDE is now going throughout the state to do specialized training. The training course includes a guide that is on the Internet. The Bureau of Homeland Security has been involved as well as other emergency operation agencies such as FEMA. SDE has also designed a guide to school safety equipment with the intent that school administrators can make more informed purchases. The planning guide has eight steps and within each one are forms and very streamlined information.

OTHER BUSINESS

M/S (Agidius/Westerberg): To adjourn the meeting at 6:06 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 MEETING
December 12, 2008
Len B. Jordan Bldg., Room 307
Boise, Idaho

A special teleconference meeting of the State Board of Education was held December 12, 2008 beginning at 3:08 p.m. It originated from the Len B. Jordan Building, 650 W. State Street, Boise, Idaho. A roll-call of members was taken.

Present:

Milford Terrell, President

Paul Agidius, Vice President (by phone)

Richard Westerberg (by phone)

Kenneth Edmunds (by phone)

Sue Thilo (by phone)

Absent:

Blake Hall

Rod Lewis

Tom Luna

Board President Terrell introduced the agenda.

BUSINESS AFFAIRS and HUMAN RESOURCES – Finance Agenda

1. College of Western Idaho – Property Transfer

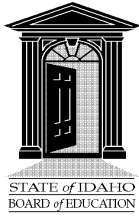
M/S (Agidius/Edmunds): To approve the transfer of the 100 acres as described in Exhibit “A” of the Grant Deed and to approve the request by the College of Western Idaho that the State Board of Education enter into and execute the Educational Facility Property Transition Agreement and the Facilities Use Agreement. Motion carried unanimously.

Kevin Satterlee, legal counsel for Boise State College, was present by phone. Dennis Griffin, President of the College of Western Idaho, was present in person along with Mark Dunham of the College of Western Idaho Board. Board President Terrell asked for clarification related to the motion. Jeff Schrader, legal counsel for the Board of Education, indicated that the motion covered the entire agreement including all of the exhibits. No other questions were raised.

Mark Dunham expressed his appreciation to the State Board of Education and their staff for their work and the cooperative spirit in moving this forward. Dennis Griffin of CWI also thanked everyone involved for making the start-up of the new college a success.

OTHER BUSINESS

M/S (Thilo/Agidius): To adjourn the meeting at 3:20 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 OF MINUTES
STATE BOARD OF EDUCATION SPECIAL MEETING
January 7, 2009
Len B. Jordan Bldg., Room 307
Boise, Idaho**

A special teleconference meeting of the State Board of Education was held on January 7, 2009. It originated from the Len B. Jordan Building, 650 W. State Street, Boise, Idaho. A roll-call of members was taken.

Present:

Milford Terrell, President

Paul Agidius, Vice President (by phone)

Rod Lewis

Sue Thilo, Secretary

Blake Hall (by phone)

Richard Westerberg (by phone)

Kenneth Edmunds (by phone)

Tom Luna, State Superintendent (by phone)

EXECUTIVE SESSION

M/S (Thilo/Agidius): To move into Executive Session pursuant to Idaho Code on Wednesday, January 7, 2009 at 4:15 pm to discuss the following:

1. Boise State University
Pursuant to Idaho Code Section 67-2345 (f) to communicate with legal counsel and discuss the legal ramifications of and legal options for pending litigation.

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

OPEN SESSION: January 7, 2009 at 4:38 pm

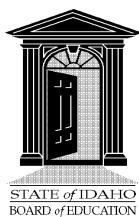
1. Boise State University – Settlement Agreement

M/S (Thilo/Lewis) Pursuant to Idaho Code Section 67-2345(s) (f) to accept the settlement in the lawsuit between Boise State University and Marsha Palmer.

A roll-call of members was taken. By unanimous consent the Board approved the motion.

OTHER BUSINESS:

M/S (Thilo/Lewis) To adjourn the meeting at 4:48 PM. 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
January 26, 2009
J.R. Williams Building, East Conference Room
700 W. State Street
Boise, Idaho**

A regular meeting of the State Board of Education was held January 26, 2009 in Boise, Idaho in the East Conference Room of the J.R. Williams Building, 700 West State Street.

Present:

Milford Terrell, President
Sue Thilo, Secretary
Kenneth Edmunds
Blake Hall

Paul Agidius, Vice President
Richard Westerberg
Rod Lewis
Tom Luna, State Superintendent

The Board convened at 9:10 a.m. with President Milford Terrell presiding. He recognized Representative Gibbs from the House Education Committee who was in the audience.

1. Agenda

M/S (Lewis/Edmunds): To accept the agenda as presented with the exception of item 2 of Section I of the Business Affairs and Human Resources agenda, which has been pulled. Motion carried unanimously.

Board President Terrell took time to recognize the colleges and universities for their good work this year. He noted that Idaho State University has a record enrollment this year and Boise State University has awarded \$25,000 in scholarships to high school students to help pay for concurrent classes this year.

AUDIT COMMITTEE

1. Presentation of Annual Financial Audit of the Colleges and Universities

M/S (Lewis/Thilo): To accept from the Audit Committee the Fiscal Year 2008 financial audit reports for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College, as presented by Moss Adams, LLP. Motion carried unanimously.

Board member Lewis presented this item. He introduced Mary Case and Scott Simpson of Moss Adams, LLP to give a report on the audit.

Mary Case summarized the process undertaken by Moss Adams, LLP in conducting the audit of the institutions. She indicated that they had found clean financial statements for all of the institutions this year. There was a delay in finalizing the report due to a change in the reporting methods used by the Idaho State University foundation. Ms. Case reported that Moss Adams, LLP had met with the Board's audit committee last week to go over everything in detail.

Scott Simpson reviewed the internal controls and findings for the Board. A handout was provided to the Board members with the details of the report. Mr. Simpson clarified that a materiality threshold was met in conducting the audit to make sure the financial statements were presented in accordance with general accounting principles.

Mr. Simpson discussed the required communications with the Audit Committee. He noted that it is each institution's responsibility to prepare the financial statements and be sure they are complete. If there are any audit adjustments, Moss Adams, LLP is required to report those. If there are any disagreements with management, those are reported to the Board. Any consultations with other accountants, on the part of the institutions, are required to be reported by Moss Adams, LLP. All the audits went smoothly this year.

Mary Case noted that this past year, there was a suite of standards imposed on the audit board that were greater than before. As a result, the institutions were required to document their internal controls. She commended the institutions for their cooperation.

Board member Lewis thanked Moss Adams, LLP for their presentation. He followed up by reporting on the work of the Board's Audit Committee. The Audit Committee is making good progress and its professional members are highly qualified for the assignment. The Audit Committee would like to have the internal auditors of the institutions report to the Audit Committee on a regular basis in order to have a current grasp of the details and be able to address concerns sooner. The Audit Committee wants to improve the coordination between the foundations and the Board so it's considering having the foundation auditors also report to the Audit Committee. The Audit Committee is concerned about the timing of the financial statements so, as a result, is considering asking for quarterly reports from the institutions. Mr. Lewis indicated that the State Controller's Office is requesting all information be provided to them under one standard. As a result, the Board has requested that the foundations and institutions provide the Board all of their information according to the State Controllers request.

Board member Lewis pointed out that the primary function of the Audit Committee is to look at quality controls, procedures, etc. He noted that the Board's Business Affairs and Human Resources (BAHR) Committee has the responsibility to review the institutions' financial statements. The Audit Committee believes it is important that it has access to that information as well, so it will begin to meet on a quarterly basis with BAHR in order to review the financial statements and have open discussions as a Board.

Mr. Lewis indicated the Audit Committee will request the institutional Finance Vice Presidents bring the Board updates as to how they have, and will continue to handle their responses to the audit findings. Board member Edmunds noted that it is essential to have more timely information from the institutions in order to address issues on a timely basis.

Board member Edmunds asked Moss Adams, LLP if the Board is where it needs to be with the foundations. Mary Case indicated that the Board is going in the right direction and continuing in

that direction is prudent. He asked about the segregation of duties between the foundations and the institutions. Ms. Case indicated that there is a level of cross over taking place between the University of Idaho and its foundation which needs to be addressed. She noted that there is cross over between Idaho State University and its foundation as well, but the accounts are segregated so it's not the same concern. This is the same at Boise State University. Mr. Edmunds asked if the Board needs to do more and if the foundation agreements are adequate. Ms. Case said the Board has more work to do in that area. Ms. Case commended the Board for strengthening the Audit Committee to the degree it has over the past few years. It is a strong committee and a good example to the institutions.

At this time, Board President Terrell took time to commend Lewis-Clark State College Baseball Coach Ed Cheff who was named the winner of the American Baseball Coaches' Association's 2009 Lefty Gomez Award for his lifetime contributions to amateur baseball. Coach Cheff received the award at the ABCA's annual convention awards dinner held on January 3, 2009. Mr. Terrell reported that Coach Cheff also received the ABCA's NAIA Region I Coach of the Year award for 2008.

Board President Terrell also acknowledged Wayne Hammond and Joyce McRoberts from the Governor's Office.

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS

1. Medical Education Study – Findings and Recommendations

By unanimous consent, the Board agreed to delay item one until later in the agenda. It was so moved.

2. Governor's Office Education Related Legislation

M/S (Hall/Agidius): To support the Governor's proposed Education Reorganization Legislation and to direct the Executive Director to work with the Governor's staff to make any additional revisions as necessary. Motion carried unanimously.

Board member Hall presented this item. An update of the Governor's Education Reorganization Package was provided by Wayne Hammond. During discussion of the various items, it was indicated that Board members should work with Executive Director Mike Rush and provide comments to him to finalize the wording of the legislation.

Board member Lewis noted that he is in agreement with the direction being taken. He went on to refer to a couple of items so that the Board staff would be familiar with his concerns. One had to do with school district boundaries (SB 1010) and the remaining references to the SBOE. He suggested that it would be helpful to make sure that gets reviewed.

Mr. Lewis asked about the changes with respect to the proprietary schools (SB 1012). Executive Director Rush provided detail. He pointed out that since proprietary schools are not accredited, they have not gone through the rigorous controls that accredited institutions have. Therefore, the legislation has more stringent requirements for the registration of proprietary schools.

Mr. Lewis asked about the legislation to transfer Motorcycle Training to Idaho State University. Dr. Rush provided an explanation. Board member Hall asked Dr. Rush to look at this piece of

legislation and determine if the Division of Professional-Technical Education is the appropriate agency to take this program.

Board member Agidius asked if the Board office will have enough staff to handle the responsibilities they are charged with. Dr. Rush indicated that while all of the Board office staff have heavy workloads, these moves will not impact the Board office staff.

Board member Westerberg asked about the financial and staffing impact of these moves. Wayne Hammond indicated that information is available and that he would provide a handout to the Board.

Board member Lewis discussed the transfer of assessment and wondered if there would be funding for a person in the Board office to handle the duties related to accountability. Wayne Hammond indicated that the Governor's budget does provide for an FTE and funds to remain at the Board office for this responsibility.

State Superintendent Luna noted that several editorials in the newspaper have suggested that these changes are politically motivated. He urged people to understand that these changes will allow programs to run better and be more efficient. Mr. Hammond agreed that this reorganization is intended to put responsibilities in a place where they best fit and can be effectively run.

Eastern Idaho Technical College Screening Committee Update

M/S (Hall/Westerberg): To accept the recommendation of the Eastern Idaho Technical College screening committee to appoint Burton Waite as the President, at an annual salary of \$115,000 and a car allowance of \$7,200 annually, effective immediately. Motion carried unanimously.

At this time Board member Hall reported on the results of the screening committee process for a new President of Eastern Idaho Technical College. He indicated that Mr. Burton Waite had been selected and introduced Mr. Waite to the audience. Mr. Hall noted that this item was posted to the Board agenda last week. Board President Terrell congratulated Mr. Waite on his appointment.

3. Additional Legislative Items

Item C – Optional Retirement Plan – Deferred Compensation

M/S (Hall/Agidius): To authorize Board staff to continue work on legislation allowing for the establishment of a deferred compensation plan for certain employees of Idaho's public postsecondary institutions, and to approve the draft legislation submitted, pending further review on the question of whether specific legislation authorizing such deferred compensation plans is necessary. The Executive Director may make revisions as necessary to comply with applicable tax laws. Board staff will continue to coordinate with the Governor's legislative process with respect to this legislation. Motion carried unanimously.

Item D – Concurrent Resolution – Research Dairy

M/S (Hall/Agidius): To authorize the University of Idaho to submit a concurrent resolution to authorize the Building Authority to work with and enter into contract with the University of Idaho, either for itself or in conjunction with the Department of Agriculture and the Land Board, for financing and development of the Research Dairy Project as long as such contracting to be done is in compliance with the policies of the State Board of Education and that neither the Building Authority nor the University of Idaho move beyond the approved planning phase without any such agreements being approved by the State Board of Education.

Substitute M/S (Hall/Westerberg): To postpone Item D until the February meeting. Motion carried unanimously.

Board member Hall asked for discussion of Item D – Concurrent Resolution – Research Dairy, to clarify where the funds for the project will come from. Lloyd Mues of the University of Idaho responded to the Board's inquiries. After lengthy discussion, the Board agreed to postpone this item until the February meeting when University of Idaho staff can be present to give additional details and explanation. Board member Edmunds clarified that the University of Idaho already has the Board's permission to engage in planning efforts.

At this time the Board took up item one of the PPGAC agenda.

1. Medical Education Study – Findings and Recommendations

M/S (Hall/Westerberg): To approve the Report of Findings and Recommendations of the State Board of Education Medical Education Study Committee contained in Attachment 1, and to direct that the Report be forwarded to the Governor and the Legislature.

Substitute M/S (Edmunds/Thilo): Move to delete recommendation number 5 from Attachment 1 and renumber items 6-11 to read items 5-10. And, in doing so, to approve the Report of Findings and Recommendations of the State Board of Education Medical Education Study Committee contained in Attachment 1, and to direct that the Report be forwarded to the Governor and the Legislature. A roll call vote was taken; motion passed 6-2 (Hall and Westerberg voted Nay).

Board member Hall introduced this item and summarized the work that had been done. Mike Killworth of the Board office provided additional details. He distributed handouts to the Board for their information. Mr. Killworth pointed out that the Board's committee was different from two other committees conducting reviews of medical education in Idaho. He noted that the other two committees were the Governor's Select Committee for Healthcare and the Legislative Interim Committee for Medical Education.

Mr. Killworth discussed the work and the goals of the committee. He noted that key staff persons for the Legislative and the Governor's committees were invited, and did attend the Board's committee meetings. Mr. Killworth reported on the committee's findings and recommendations. It was noted that the recommendations provided in the Board agenda included a recommendation (#5) that was not developed by the Board's committee, but added afterwards at the request of a committee member. It is the same recommendation proposed by the Legislative Medical Education Committee.

Board member Thilo thanked Mr. Killworth for his strong staff support to the Board committee. She also thanked Matt Freeman of the Legislative Services Office for providing continuity between the committees. Ms. Thilo pointed out that she served on the Board committee and also the Legislative Interim Committee which was helpful and meaningful. Ms. Thilo noted that the Board committee benefited from the inclusion of the two family practice doctors who joined them at the table. She explained that a great deal of research was available to support the Board committee's findings. Ms. Thilo expressed serious concern about altering the original recommendations of the Board's Committee which were straightforward, across-the-board, and transparent. She cautioned the Board, as they look at the amended recommendations, to be aware that the Board's committee was very much in support of a collaborative approach incorporating the best practices and best minds available as opposed to expending resources for individual programs. The Board's committee was concerned that if the approach became competitive or regionally motivated, it would create conflict and division. These are the things the Board committee wants to avoid.

Board member Westerberg noted that he viewed the recommendation in question as an opportunity for the Board to look at models and business plans without having to fund them. He indicated that he didn't believe there would be conflict as a result.

Board member Hall agreed that there was no intention to create a competitive situation. Rather it is an attempt to solicit information and identify the information that is being solicited. He suggested this is a useful approach and process. It is not politically motivated. Mr. Hall noted that the Legislature's and the Governor's committees both agreed this approach should be part of the process. Mr. Hall noted that recommendations do state that the Board will oversee and provide approval.

Board member Lewis noted that the report from the Board's committee refers repeatedly to comments from a number of different entities that point to a desire for a collaborative approach from all stakeholders. The original recommendations put forward by the Board are based on the Board committee's findings. He noted that the Board committee's findings and recommendations were a result of a great deal of research, homework, and investigation being done by its members. He pointed out that it is logical to assume that the Legislature's and the Governor's committees would arrive at different recommendations than the Board's committee just as a matter of course. He recommended that the Board respect the work of its committee.

Board member Hall argued for retaining item five as put forward by the Legislative committee. Board President Terrell emphasized that the Board's committee had spent sufficient and thorough time in deliberating all the findings and facts pertaining to each recommendation. Board member Thilo reiterated that the committee met a number of times before coming to any conclusions. In addition, a number of documents and materials were provided to the committee as research. She noted that a good deal of time was spent prior to deciding on the final set of recommendations.

Board member Lewis emphasized that there are different sets of policy makers and each set is tasked to come up with findings and a view. The outcome of the Board's work is what is being discussed today. It is not the Board's intent to speak against the findings of other groups.

Board member Westerberg suggested that there is no downside to leaving item 5 in as is. It allows for validated information being put together for the Board's benefit without cost to the Board. Board member Edmunds suggested that any planning effort uses the time and talent of state paid employees at the institutions so there is a cost.

Board member Edmunds put forward a substitute motion to stay with the original recommendations made by the Board's Committee.

At this time the Board returned to item 3 of the Planning, Policy, and Governmental Affairs (PPGAC) agenda in order to allow further discussion of the additional legislative issues. Board member Thilo indicated that she is pleased to see the Residency Determination for Tuition Purposes back on the legislative docket. She urged that Legislature develop language that will correct unintended consequences.

Referring to page 7 of item 3 of the PPGAC agenda, Board member Lewis asked for clarification of the meaning of "second degree" in the language under point number eight. Board member Hall indicated that it is a legal term defined in probate code. Board member Lewis raised a question about taking the prohibition that far. Board member Hall suggested that Board members look at that definition in the probate code for their own understanding. It was questioned whether this language would prevent the Board from making its own determination in Board policy as to what it can require of the institutions.

4. 2010-2014 Strategic Plan Direction

Board member Hall introduced this item. He noted that the intent at this point is to make the Board aware of the staff efforts under way to assist the Board with its strategic planning efforts. Dr. Rush provided background information. He noted that the original strategic planning process occurred too late in the year to fit with the Board's planning calendar. An attempt has been made to change that. The next step is to give the Board a preview prior to February when this will come before the Board.

Board member Hall indicated that the Board requires the institutions to provide the Board with their five-year plan. He suggested that there needs to be a better understanding between the Board and the institutions just what those five-year plans entail or are to be used for. He asked the Board, as they go through the strategic planning process, to be mindful of the need to clarify that point.

Board member Edmunds expressed concern that there is too much competition in the state for limited dollars. He suggested exploring that issue more fully as part of the strategic plan. He would like to better understand the role of the Board in regards to K-12.

Board member Westerberg pointed out that the mission and vision statements are quite a bit different than in the past. He urged the Board members to speak up if they have issues because when the strategic plan is finished it will be more concrete in terms of performance measures.

The question arose as to whether enough time has been given to overhauling the Board's strategic plan. Board President Terrell agreed that more time needs to be spent on the plan to be sure it fits with what the Governor has directed the Board to do in terms of reorganization. A meeting will be arranged prior to the February meeting to continue the work of strategic planning.

President Vailas of Idaho State University was invited to speak. He agreed that the institution's plans should align with the Board's plan. He suggested that there needs to be clarification regarding the role of the Board's plan in terms of the economic development goals of the state. In addition, it needs to be determined if the time spent by the institutions in creating their plans is a good use of resources. Board President Terrell directed staff to go back to see what the Board has already approved from the institution plans.

5. University of Idaho – Student Housing Report

Lloyd Mues discussed this item for the Board. It was noted that the Lewiston Tribune had not reported the story about co-ed housing correctly. He emphasized there is no intention by the University of Idaho for male and female students to share rooms.

DEPARTMENT OF EDUCATION1. Cascade School District #422 Trustee Zone Change

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

State Superintendent Luna presented this item. He referred the Board to the agenda for more detailed information.

2. Dual Credit Legislation

State Superintendent Luna presented this information item. He summarized the work of the task force and the process undertaken to come up with final recommendations. He noted the recommendations will be presented to the Legislature this month. The recommendations include the proposal for a statewide dual credit fee reimbursement. A copy of the draft legislation related to that was provided to the Board in their agenda materials. Mr. Luna noted that the committee that was put together had 24 individuals participating and 16 of those came from the education field.

Board member Hall asked for clarification on the fee. Mr. Luna indicated that the current fee that was agreed upon is \$65 per credit; the state will reimburse \$50 of that fee and the student will pay the rest. He indicated that Board policy will set the per credit fee on an annual basis.

Mr. Hall raised a concern about the significant reduction in dual enrollments at ISU and NIC and asked the institutions to speak to those enrollments. There was discussion between the Board, Board staff, the SDE staff, and the institutions about the accuracy of the numbers and the reliability of 10th day numbers. The numbers in question will be reviewed. Mr. Hall asked that the Board staff and the institutions provide footnotes and explanation for the data they turn in.

There was discussion related to issues raised by the provosts and vice presidents. Dale Bower of the Board office reported that the concerns expressed had to do with the governance role of postsecondary institutions in the area of dual enrollment. Dr. Vailas indicated that the concerns related to a lack of written instructions at the state level as to how the oversight will be executed by the institutions. He noted that the accrediting bodies have expressed concerns about this as well. He urged the Board to provide a required set of detail that all higher education and secondary education institutions must follow to give assurance to the accrediting bodies that the postsecondary institutions are in compliance.

Board member Lewis asked for clarification related to the comments from the institutions about changing the definition of eligible institutions and also deleting language under the heading of Courses According to Agreements. Dr. Bower indicated that CAAP members felt they wanted something more substantive to accreditation and that it would be meaningful to have those as part of the language of the legislation. As far as proximity of services, it was felt it would be better for the high schools to work with the institution in their region.

State Superintendent Luna reported that the task force had discussed at length the topic of regional monopolies. The task force had agreed that by giving students the option of selecting an institution outside of the region they lived in, students would have a greater opportunity to take the courses they needed or wanted. The task force found that people around the state were in agreement that they didn't want to be limited geographically. Mr. Luna reiterated that half of the task force members were from postsecondary institutions. Everyone except BSU supported the idea of allowing students to work at the institution of their choice to obtain the education they are seeking.

Selena Grace of the Board staff indicated that the biggest concern of the institutions is that high schools will go out and shop for the best deal, thereby pitting the postsecondary institutions against one another. She noted that some institutions are able to provide services or deals that other institutions cannot. State Superintendent Luna reminded the Board that this legislation relates to a scholarship program that allows students to participate in the dual credit opportunities already out there; students who may not be financially able to afford to take the courses otherwise. He urged the Board to base their decision on what is best for the student, not what is good for the bureaucracy. Board member Lewis suggested, on the regional issue, that the Board be involved in the discussion.

At this time, Board member Hall was excused from the remainder of the meeting to attend to other business.

Board President Terrell took the opportunity to commend the University of Idaho for the initiative to take a hard look at cutting and downsizing programs.

3. Teacher Evaluation Legislation

State Superintendent Luna presented this item. He noted that the work of the task force was focused on examining and reviewing current Idaho law relating to teacher performance evaluations, teacher evaluation models, the role of higher education in developing and training Idaho's teachers and administrators, and national trends and practices in teacher supervision and evaluation.

Christina Linder of the Department of Education reviewed the recommendations of the task force. She noted that the heart of the task force's work related to the local district evaluation policy. She discussed the portions of the policy where changes had been made. She pointed out that the changes do not require any additional funding.

Mr. Luna reported that the task force was drawn to the work of Charlotte Danielson's Framework for Teaching domains and components of instruction. He pointed out that Dr. Danielson is a nationally recognized expert on school improvement and has authored numerous publications for the Association for Supervision and Curriculum Development. It was deemed by the task force, early on, that pay-for-performance would be a separate issue from teacher evaluation standards.

Board member Edmunds asked if teacher evaluations will be a good basis for pay-for-performance when that becomes an option. Mr. Luna indicated that pay-for-performance is being worked on in parallel, but not in conjunction with, this effort. He reiterated that the task force didn't view their work in that way.

4. Public Schools Budget

State Superintendent Luna presented this item. He noted he will make his presentation to the Joint Finance and Appropriations Committee on Thursday of this week. His request will be for less than what Public Schools received in FY 2009. He noted that Governor Otter proposed a 5.3% reduction for Public Schools. He presented a list of ideas the Department of Education had solicited as to ways the education budget can be trimmed without impacting student achievement. His goal is to preserve student-teacher contact hours and to preserve those programs that have the most immediate positive impact on student achievement.

Mr. Luna discussed several of the ideas for the benefit of the Board. He noted that if the Board has additional ideas or points that it feels needs to be raised, he would appreciate input.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

1. Approval of the Idaho Accountability Workbook

M/S (Thilo/Agidius): To approve the proposed amendments to the State of Idaho Consolidated State Application Accountability Workbook.

Substitute M/S (Lewis/Agidius): To approve the proposed amendments 1 and 2 but not number 3 of the State of Idaho Consolidated State Application Accountability Workbook.
Motion carried unanimously.

Board member Thilo presented this item. Board member Lewis asked a question related to AYP and the use of attendance for the third indicator. Margaret Healy of the Board office indicated that middle schools currently have an option as to what indicator they want to use for their third indicator. Having middle schools use attendance as their third indicator would help improve attendance as well as student achievement. Mr. Lewis suggested that attendance is not a sufficient method of measuring achievement. Ms. Healy noted that the accountability is at the school level, not the student level so attendance is one way to hold schools accountable. She noted that schools are still held to the math and reading requirements as their first two indicators.

Mr. Luna asked what schools usually choose as their third indicator. Ms. Healy indicated that most schools have used Language Usage. Mr. Luna noted that because schools receive a majority of their funding based on attendance, they are already focused on that. He indicated that he agreed with Mr. Lewis about not shifting attention away from student achievement.

Mr. Lewis made a substitute motion to approve only amendments one and two. State Superintendent Luna asked if not using attendance as the third indicator will affect the application that is currently before the U.S. Department of Education. Ms. Healy indicated that the Board received permission from the U.S. Department of Education to submit simultaneous applications. She does not anticipate that this will impact the turn around time in their response.

Dr. Mike Rush clarified with Mr. Lewis that his motion would include all of the clarifications and editorials related to the motion.

BUSINESS AFFAIRS AND HUMAN RESOURCES – Section I1. Idaho State University – Appointment of the Provost and Vice President for Academic Affairs

M/S (Westerberg/Edmunds): To approve the appointment of Dr. Gary A. Olson to the position of Provost and Vice President for Academic Affairs, at an annual salary of \$195,000.00. Motion carried unanimously.

Board member Westerberg presented this item. Dr. Vailas introduced the new Provost to the Board.

2. Pulled**BUSINESS AFFAIRS AND HUMAN RESOURCES – Section II**1. Boise State University – Taco Bell Arena – Seat Replacement

M/S (Westerberg/Edmunds): To approve Boise State University's request to replace the platform seating in the Taco Bell Arena at a cost not to exceed \$925,000, to be paid from bond proceeds from the February 2009 bond sale. The University must not proceed with construction of this project prior to Board approval to issue debt. Motion carried unanimously.

Board member Westerberg presented this item. Board member Agidius raised a question about the contingency figures. Stacy Pearson of Boise State University explained that the contingency calculations are based on construction costs. Ms. Pearson indicated that she will correct the mistakes.

2. Office of the State Board of Education – Withdrawal from the Interstate Compact for Education

Board member Westerberg presented this item. There were no questions.

OTHER BUSINESS

The meeting was adjourned at 3:00 p.m.

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

TAB	DESCRIPTION	ACTION
1	BAHR-SECTION I IDAHO STATE UNIVERSITY New Positions	Motion to approve
2	BAHR-SECTION I UNIVERSITY OF IDAHO New Position & Reactivation of Position	Motion to approve
3	BAHR-SECTION I LEWIS-CLARK STATE COLLEGE Deletion of Position	Motion to approve
4	IRSA – Notice of Intent to Discontinue Associate of Science in Nursing - Boise State University	Motion to approve
5	IRSA – Quarterly Report on Program Changes Approved by the Executive Director	Motion to approve
6	PPGAC – ALCOHOL PERMITS ISSUED BY UNIVERSITY PRESIDENTS	Motion to approve

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

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**CONSENT AGENDA
FEBRUARY 26-27, 2009**

IDAHO STATE UNIVERSITY

SUBJECT

Approval of new positions

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Sections II.B.3 and II.G.1.b

BACKGROUND/ DISCUSSION

Idaho State University requests approval for:

- two (2) new professional staff positions (2.0 FTE) supported by grant and local funds;
- two (2) classified staff positions (2.0 FTE) supported by grant and local funds.

IMPACT

Once approved, the positions can be processed on the State Employee Information System.

STAFF AND COMMENTS AND RECOMMENDATIONS

Staff has reviewed the four positions requested above. One of the two (2) new professional staff positions is a request for the 20th resident for the Idaho State University Family Medicine Residency (FMR-ISU) program.

For the FMR-ISU program, state appropriations have provided partial support for 18 resident positions since 2004. Millennium funding in 2007 supported laying the groundwork for a rural training track in Rexburg and program expansion. The Board approved the 19th position in February 2008 creating a position in preparation for the expansion. Since October 2008 the FMR-ISU has recruited for and plans to fill this 19th position in July 2009.

In Aug 2008 the Board approved and forwarded as line item requests two proposals currently being considered by Joint Finance-Appropriations Committee. The first was 0.65 faculty FTE funding to replace the millennium funding infrastructure for the rural training track and allow the program to meet accreditation requirements for expansion (\$145,800.) The second was the state funding request for the 19th resident position and an additional faculty position for the actual expansion (\$174,200).

FMR-ISU cannot begin to recruit the 20th position without a Board approved position number. Approving this position does not commit state funds or obligate the Board to submit this position as a line item request for FY 2011. If FMR-ISU does fill this 20th position, it will need to use other sources of revenue until such time that state funds are appropriated.

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

Staff recommends approval.

BOARD ACTION

A motion to approve the request by Idaho State University for four (4) new positions (4.0 FTE) supported by grant and local funds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

NEW POSITIONS

Position Title	Idaho Building Capacity Grant Regional Coordinator
Type of Position	Non-Classified
FTE	1.0
Term of Appointment	12 month
Effective Date	March 2, 2009
Salary Range	\$58,640.00
Funding Source	Grant Funds
New or Reallocation	New – Grant funds from the Idaho State Department of Education
Area/Department of Assignment	Intermountain Center for Education Effectiveness (ICEE), College of Education
Duties and Responsibilities	Implement the services of the Idaho Building Capacity grant and coordinate the delivery of K-12 professional development to thirteen school sites in eastern Idaho.
Justification of Position	To provide administrative support for compliance with grant requirements.

Position Title	Family Medicine Resident Physician
Type of Position	Non-Classified
FTE	1.0
Term of Appointment	12 month
Effective Date	March 2, 2009
Salary Range	\$45,052.80
Funding Source	Local Funds
New or Reallocation	Clinical Income
Area/Department of Assignment	Family Medicine
Duties and Responsibilities	Medical school graduates undertake residency training for three years to become Board Certified Physicians. Their duties include outpatient care, inpatient care, on-call coverage and specific training rotations throughout the community and surrounding areas. Residents must complete the requirements and training as specified by the Accreditation Council for Graduate Medical Education.
Justification of Position	Physician shortages, both current and projected, especially in rural Idaho, have prompted the Governor and Legislature to recommend residency expansion funding both

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

in Boise and Pocatello. The proposals are currently being reviewed in this legislative session. Partial coverage for the positions will be from clinic revenues. The State Board of Education approved a progressive expansion of both residency programs in August of 2008. ISU is going into the selection process in March of 2009 to increase our first year to seven residents. On that match day we hope to fill the 19th position already approved by the Board in 02/08. The 19th resident is scheduled to start on June 23, 2009. This request is for the 20th position in our increase to 21 by 2010 and 24 by 2012. The 20th resident would start as a second year transfer from another program during this calendar year. Second year residents substantially contribute to their costs.

Position Title	IT Support Technician
Type of Position	Classified
FTE	1.0
Term of Appointment	12 month
Effective Date	March 2, 2009
Salary Range	\$33,987.20
Funding Source	Grant Funds
New or Reallocation	Reallocation
Area/Department of Assignment	Idaho Accelerator Center
Duties and Responsibilities	Provide IT support : assist staff in the identification and resolution of operating problems, manage IAC web site, provide database analysis, install and troubleshoot hardware and software, and other duties as assigned.
Justification of Position	To provide additional technical support for the various databases housed within the IAC.

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

Position Title	Office Specialist 2
Type of Position	Classified
FTE	1.0
Term of Appointment	12 month
Effective Date	March 2, 2009
Salary Range	\$20,322.00
Funding Source	Local Funds
New or Reallocation	New – Local funds from patient fees
Area/Department of Assignment	Physician Assistant Studies
Duties and Responsibilities	Provide clerical support to faculty, staff, and students; maintain student credential files; complete affiliation agreements, travel authorizations and reimbursements, and purchase requisitions; interface with preceptors and students regarding clinical placements for students; compose correspondence; and other tasks as assigned.
Justification of Position	To provide additional clerical support for program expansion.

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

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**CONSENT AGENDA
FEBRUARY 26-27, 2009**

UNIVERSITY OF IDAHO

SUBJECT

One new position and one reactivation

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Sections II.B.3 and II.G.1.b

BACKGROUND/DISCUSSION

The University of Idaho requests approval for:

- one (1) new position (1.0 FTE) supported by a reallocation of appropriated funds
- one (1) reactivation of a position supported by appropriated funds

IMPACT

Once approved, the changes can be processed on the State Employee Information System.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to establish one (1) new position and reactivate one (1) position (2.0 total FTE) supported by reallocation of appropriated funds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

NEW POSITION

Position Title	Financial Aid Compliance Administrator
Type of Position	Exempt
FTE	1.0 (2080 hours/year)
Term of Appointment	Fiscal Year
Effective Date	March 1, 2009
Salary Range	\$41,995.20
Funding Source	Reallocation of appropriated funds
New or Reallocation	New
Area/Department of Assignment	Enrollment Management/Student Financial Aid
Duties	Monitor compliance for scholarships and financial aid
Justification Position	needed to meet scholarship and financial aid compliance issues

REACTIVATION OF POSITION

Position Title	Assistant Professor
Type of Position	Faculty
FTE	1.0 (1560 hours/year)
Term of Appointment	Academic Year
Effective Date	March 1, 2009
Salary Range	\$73,819.20
Funding Source	Appropriated funds
New or Reallocation	Reactivation of PCN 1225
Area/Department of Assignment	College of Agricultural and Life Sciences/MMBB
Duties	Responsible for instruction and research
Justification Position	deleted after vacant for 12 months

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

LEWIS-CLARK STATE COLLEGE

SUBJECT

One deleted position.

APPLICABLE STATUTE, RULE, OR POLICY

Office of the State Board of Education Policy Section II.B.3

BACKGROUND/DISCUSSION

Lewis-Clark State College is requesting approval for:

- deletion of one (1) position (.62 FTE) supported by auxiliary funds

IMPACT

Once approved, the positions can be processed on the State Employee Information System.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD ACTION

A motion to approve the request by Lewis- Clark State College to delete one (1) position (.65 FTE).

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**CONSENT AGENDA
FEBRUARY 26-27, 2009**

DELETED POSITIONS

Position Title	Custodian
Type of Position	Classified
FTE .62	
Term of Appointment	12 months
Effective Date	1/1/2009
Salary Range	\$10,317
Funding Source	Auxiliary Funds
Area/Department of Assignment	Student Union Building
Justification of Position	Position eliminated

CONSENT- INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

BOISE STATE UNIVERSITY

SUBJECT

Approval of Notice of Intent to Discontinue the Associate of Science in Nursing Program – Boise State University

REFERENCE

October 4, 2008

The Board approved Boise State University's request to suspend admission to the Associate of Science in Nursing Program.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section III.G.4(b) and 5(a), Program Approval and Discontinuance
Section 33-107 (7) and 33-4005, Idaho Code
Role and Mission – Boise State University

BACKGROUND/DISCUSSION

In accordance with Board Policy III.G.4(b) and III.G.5(a), "Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases, or instructional units with a financial impact of \$250,000 or more per year require Board approval prior to implementation." The Chief Academic Officer shall forward program requests to CAAP for its review and recommendation. The proposal along with CAAP's recommendation shall be forwarded to the Board for action.

Boise State University (BSU) anticipates that during the next 18 months, the College of Western Idaho will begin to offer an associates-level nursing degree program. In anticipation, BSU proposes to discontinue its A.S. Nursing program effective May 2010. No additional students will be admitted to the BSU ASN program, and those that have been admitted will be given sufficient advising to enable them to complete the five-semester program by December 2010. Any students who have not completed the ASN program by December 2010 will be given the option of transitioning into the Baccalaureate nursing program offered by BSU's Department of Nursing. It is Boise State's desire that students still wishing to receive an associates-level degree after December 2010 would be able to do so at the College of Western Idaho.

Because of the current and future nursing shortage, careful attention has been paid to student numbers, and taken as a whole, the changes Boise State is undertaking will yield a greater number of nursing graduates. A short-term decrease in the number of enrolled ASN students will occur during the transition. However, because of an increased capacity in the baccalaureate nursing program, there will not be a decrease in the number of licensed nurses produced by BSU: the number of baccalaureate nursing graduates from BSU will more

CONSENT- INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

than double, from 90 a year to 250 a year. Additionally, Boise State will graduate approximately 10 masters-level students per year. See chart illustrated on page 6 of the NOI.

IMPACT

All resources made available by the discontinuation of BSU's A.S. Nursing program will be invested in the B.S. Nursing program. Because the responsibilities of faculty members are multi-faceted, it is not possible to give a detailed estimate of the amount of funds that would be made available by the discontinuation of the A.S. Nursing program. Since the A.S. Nursing program is responsible for currently about half of the nursing enrollment, the estimated savings from closing the degree would be approximately half of the budget. These figures are reflected below. This money will be used to more than double the output of the B.S. Nursing graduates.

	FY 2009	FY 2010	FY 2011
Expenditures			
A. Personnel	\$1,500,000	\$1,500,000	\$1,500,000
B. Operating Expenditures	\$42,000	\$42,000	\$42,000
C. Capital Outlay	\$5,000	\$5,000	\$5,000
D. Physical Facilities	0	0	0
E. Indirect Costs	0	0	0
Total Expenditures	\$1,547,000	\$1,547,000	\$1,547,000
Revenue			
A. Source of Funds			
1. Appropriated funds -- Reallocation	\$1,547,000	\$1,547,000	\$1,547,000
2. Appropriated funds -- New MCO	0	0	0
3. Federal funds	0	0	0
4. Other grants	0	0	0
5. Fees	0	0	0
6. Other:	0	0	0
Total Revenues	\$1,547,000	\$1,547,000	\$1,547,000
B. Nature of Funds			
1. Recurring*	\$1,547,000	\$1,547,000	\$1,547,000
2. Non-recurring**	0	0	0
Total Revenues	\$1,547,000	\$1,547,000	\$1,547,000

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

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

ATTACHMENTS

Attachment 1 – Notice of Intent

Page 5

CONSENT- INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

STAFF COMMENTS AND RECOMMENDATIONS

Boise State University's request to discontinue its A.S. Nursing program, while at the same time increasing the number of baccalaureate graduates, is consistent with identified needs. IRSA, CAAP, and Board staff recommends approval as presented.

BOARD ACTION

A motion to approve the request by Boise State University to discontinue its Associate of Science Nursing program effective May 2010.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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

To initiate a

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

Institution Submitting Proposal: Boise State University

Name of College, School, or Division: Health Sciences

Name of Department(s) or Area(s): Nursing

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

Academic X Professional - Technical _____

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

 (Degree or Certificate)

Proposed Starting Date: _____

Effective May, 2010

For New Programs:

For Other Activity:

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

☐ Program Component (major/minor/option/emphasis)

☐ Off-Campus Activity/Resident Center

☐ Instructional/Research Unit

☐ Addition/Expansion

☒ Discontinuance/consolidation

Discontinue AS in Nursing

☐ Contract Program

☐ Other

James T. Girva
 College Dean (Institution)

11/7/08
 Date

VP Research & Graduate Studies

Date

Shae Pearson
 Chief Fiscal Officer (Institution)

11/10/08
 Date

State Administrator, SDPTE

Date

Mike Andrews
 Chief Academic Officer (Institution)

11/10/08
 Date

Chief Academic Officer, OSBE

Date

Robert Keen
 President

11/18/08
 Date

SBOE/OSBE Approval

Date

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

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

In anticipation of the impending development of an associates-level nursing degree program to be offered by the College of Western Idaho (CWI), Boise State University (BSU) proposes to discontinue offering the Associate of Science nursing program effective May 2010. No additional students are being admitted to the BSU AS Nursing program. Any students who have not completed the AS Nursing program by May 2010 and who desire to obtain a baccalaureate degree will be transitioned into the baccalaureate nursing program offered by the Department of Nursing.

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

It is anticipated that the College of Western Idaho will create and offer an associates-level nursing degree.

Because of the current and future nursing shortage, careful attention has been paid to student numbers, and taken as a whole, the changes we are undertaking will yield a greater number of nursing graduates. A short-term decrease in the number of enrolled AS Nursing students will occur during the transition. However, because of an increased capacity in the baccalaureate nursing program, there will not be a decrease in the number of licensed nurses produced by BSU. In fact, as can be seen by the table below, the number of baccalaureate nursing graduates will more than double, from 90 a year to approximately 250 a year. Additionally, Boise State will graduate approximately 10 masters-level students per year.

Admits to BSU Nursing Programs	Graduates from BSU Nursing Programs
<u>Prior to Fall 2008:</u>	
120 with no prior nursing degree	65 from BSU with an AS in Nursing
35 with an AS in Nursing	90 from BSU with a BS in Nursing
<u>After Fall 2008</u>	
150 with no prior nursing degree	250 from BSU with a BS in Nursing
100 with an AS in Nursing	
10 with a BS in Nursing	10 with a Masters in Nursing

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

Not applicable because this is a program discontinuation.

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

N/A; not a new program.

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

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

Numbers from the Idaho State Board of Nursing reports

Institution	Relevant Enrollment Data			Number of Graduates		
	Current Year 2006	Previous Year 2005	Previous Year 2004	Current 2006	Previous Year 2005	Previous Year 2004
RN admits and graduates						
BSU	141			120	110	137
CSI	50			84	51	58
College of Western Idaho	(proposed)					
EITC						
ISU	119			140	97	98
LCSC	62			65	59	50
NIC	60			49	45	49
UI						

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

Institution and Degree name	Level	Specializations within the discipline(to reflect a national perspective)	Specializations offered within the degree at the institution
BSU	LPN, AS, BS, MS		
CSI	LPN, AS		
College of Western Idaho	Associates-level (proposed)		
EITC	LPN, AS		
ISU	LPN, AS, BS, MS		
LCSC	LPN, BS		
NIC	LPN, AS		
UI			

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

This proposal does not involve the addition of any new programs. The request is consistent with BSU transitioning its AS programs to CWI.

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

Yes _____ No _____
 Not applicable: Program discontinuation

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

Estimated Fiscal Impact	FY <u>09</u>	FY <u>10</u>	FY <u>11</u>	Total
A. Expenditures				
1. Personnel	1,500,000	1,500,000	1,500,000	4,500,000
2. Operating	42,000	42,000	42,000	126,000
3. Capital Outlay	5,000	5,000	5,000	15,000
4. Facilities				
TOTAL:	1,547,000	1,547,000	1,547,000	4,671,000
B. Source of Funds				
1. Appropriated-reallocation	1,547,000	1,547,000	1,547,000	4,671,000
2. Appropriated – New				
3. Federal				
4. Other:				
TOTAL:	1,547,000	1,547,000	1,547,000	4,671,000
B. Nature of Funds				
1. Recurring *	1,547,000	1,547,000	1,547,000	4,671,000
2. Non-recurring **				
TOTAL:	1,547,000	1,547,000	1,547,000	4,671,000

Please note:

All resources made available by the discontinuation of our AS Nursing program will be invested in the BS Nursing program. Because the responsibilities of faculty members are multi-faceted, it is not possible to give a detailed estimate of the amount of funds that would be made available by the suspension of the AS nursing program. However, for the purposes of providing an approximation, we have simply taken the entire appropriated budget of the Department of Nursing, divided it in half, and entered the resulting numbers in the table above. Dividing the budget in half makes sense in that the Department of Nursing will be more than doubling its output of BS Nursing graduates.

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

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

CONSENT - INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Quarterly Report: Program Changes Approved by Executive Director

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

In accordance with Board Policy III.G.4.a and b.(2), Executive Director approval prior to implementation is required for any new academic or professional-technical program, major, minor, option, emphasis or instructional unit with a financial impact of less than \$250,000 per year. Board policy also requires Executive Director approval for "Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases or instructional units with a financial impact of less than \$250,000.

In accordance with Board policy III.G.4.b.(2), "All modifications approved by the executive director shall be reported quarterly to the Board." The Board office is providing a report of program changes, additions, et c. from Idaho's public colleges and universities that were approved by the Executive Director.

ATTACHMENTS

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

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Board staff offers no comments or recommendations.

BOARD ACTION

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

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**CONSENT - INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009**

Academic Programs
Approved by Executive Director
October 2008 – January 2009

Boise State University
Change name of degrees offered (BA, BS, BBA) in Management, Human Resource to Human Resource Management
Change name of degrees offered from Entrepreneurship to Entrepreneurship Management
Minor in Family Studies
Discontinue two AA degrees in Special Education and Early Childhood Studies

University of Idaho
Discontinue the BA Foreign Language: Computer Science Option
Discontinue Bachelor of Naval Science
Department Reorganization – moved Special Education programs and related Education programs to the college of Education Curriculum and Instruction from the Dept. of Counseling and School Psychology, Special Education, and Educational Leadership
Discontinue BS degree, Metallurgical Engineering

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**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009**

SUBJECT

Alcohol Permits Approved by University Presidents

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND / DISCUSSION

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

The last update presented to the Board was at the October 2008 Board meeting. Since that meeting, Board staff has received forty-three (43) permits from Boise State University, three (3) permits from Idaho State University, and three (3) permits from the University of Idaho.

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

ATTACHMENTS

List of Approved Permits by Institution

page 3

BOARD ACTION

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

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**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009**

APPROVED ALCOHOL SERVICE AT BOISE STATE UNIVERSITY December 2008 – May 2009		
EVENT	LOCATION	DATE (S)
Boise Angels-Hosting of local angels and investors	Stueckle Sky Center – Skyline Room	12/8/08
ID Sports Medicine Institute Christmas Party	Stueckle Sky Center – The Loft	12/9/08
URS Washington Division Client Holiday Gathering	Stueckle Sky Center-Double R Ranch Club Room	12/11/08
Formal Dinner Practical-6 course capstone dinner prepared by program graduates	Culinary Arts Building 1310 University Drive	12/13/08
RMH Company Christmas Party	Stueckle Sky Center-The Loft	12/16/08
Yanke Machine Shop Employee Christmas Dinner Party	Stueckle Sky Club	12/19/08
Forrey/Balley Wedding Reception	Hatch Ballroom-Student Union Bldg	12/27/08
Football Coaches Club Annual Holiday Social	Stueckle Sky Center-Double R Ranch Room	1/4/09
Steven and Ann Sells Wedding reception	Stueckle Sky Center-Double R Ranch Club Room	1/10/09
Welcome Back Legislators Dinner	Stueckle Sky Center-Double R Ranch Room	1/14/09
Ron White in Concert	Morrison Center Main Hall	1/16/09
Jerry Seinfeld	Morris Center Main Hall	1/22/09
Bronco Primetime	Stueckle Sky Club-3 rd Floor “Bronco Zone”	1/22/09
Business Psychology Employees Holiday Party	Stueckle Sky Center Skyline Room	1/23/09
Intermountain Orthopedics Employee Casino Night	Stueckle Sky Center-Double R Ranch Room	1/24/09
The Passion of Joan of Arc	Morrison Center Main Hall	1/24/09
EMBA Informational Open House	Stueckle Sky Center-The Loft	1/28/09
COBE Campaign Team Captain Rally	Allen Noble Hall of Fame	1/29/09
The Governor’s Ball	Stueckle Sky Club-Double R Ranch Room	1/30/09
Reception for Frank Church Conference Speakers	Stueckle Sky Center-Skyline Room	2/2/09
EMBA Informational Open House	Stueckle Sky Center-The Loft	3/2/09
EMBA Informational Open House	Stueckle Sky Center-The Loft	4/29/09

**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009**

APPROVED ALCOHOL SERVICE AT BOISE STATE UNIVERSITY (Continued) December 2008 – May 2009		
EVENT	LOCATION	DATE (S)
Pajama Game	Morrison Center Main Hall	2/3/09
Letter of Intent/Signing Day Party	Stueckle Sky Center-Double R Ranch Room	2/4/09
YMCA Campaign Kickoff	Stueckle Sky Center-Double R Ranch Room	2/5/09
Northwestern Mutual Belley Financial Group Banquet	Stueckle Sky Center-Skyline Room	2/6/09
Trey McIntyre Project	Morrison Center Mail Hall	2/7/09
Special Olympics World Games Thank you Party for Volunteers	Stueckle Sky Center	2/9/09
BSU Alumni Association Quarterly Board of Directors Meeting and Past Alumni	Allen Noble Hall of Fame	2/11/09
Brandon DeSayer Performance: Behind the Curtain	Morrison Center Main Stage	2/14/09
Bronco Primetime	Stueckle Sky Club-3 rd Floor "Bronco Zone"	2/19/09
An Evening in Vienna	Morrison Center Main Hall	2/21/09
Bronco Athletic Association Bronze Bronco Awards Banquet	Stueckle Sky Center-Double R Ranch Room	2/23/09
Ada County Assoc. of Realtors Awards Banquet and Dance	Stueckle Sky Center	2/27/09
POWER Engineers, Inc. Employee Party	Stueckle Sky Center-Double R Ranch Room	2/28/09
Women's Basketball Reunion Social	Stueckle Sky Center-3 rd Floor "Bronco Zone"	3/6/09
Verdi Wealth Planning Spring Fever 2009, Fly Fishing Experience	Stueckle Sky Center-Double R Ranch Room	3/13/09
Scandinavian Nights	Morrison Center Main Hall	3/14/09
National Association of Home Builders-Log Home Council President's Tour	Stueckle Sky Center-Skyline Room	3/30/09
Iberial Music from Spain & The Basque Country	Morrison Center Main Hall	4/18/09
EarthScope Meeting-Ice Breaker	Stueckle Sky Center-Double R Ranch Room	5/12/09
Star Spangled Sousa Pops Concert	Morrison Center Main Hall	5/15/09
Family Medicine Residency of Idaho-Alumni and Friends Event	Stueckle Sky Center-Double R Ranch Room	5/16/09

**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009**

APPROVED ALCOHOL SERVICE AT IDAHO STATE UNIVERSITY December 2008 – February 2009		
EVENT	LOCATION	DATE (S)
Martin Luther King Banquet	Pond Student Center Wood River Room	1/19/09
Inaugural Ball	PAC Rotunda	1/20/09
ID Falls Symphony Society Valentine's Day Fund Raiser	Bennion Student Union	2/14/09

**CONSENT AGENDA – PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009**

APPROVED ALCOHOL SERVICE AT University of Idaho December 2008 –April 2009		
EVENT	LOCATION	DATE (S)
Alumni Awards for Excellence	SUB Ballroom	12/12/08
Moscow Robert Burns Night	SUB Ballroom	1/24/09
Mom's Weekend Dinner and Entertainment	SUB Ballroom	4/18/09

**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

SUBJECT

Idaho State Board of Education 2010-2014 Strategic Plan Direction

REFERENCE

March 27, 2008

April 17, 2008

January 26, 2009

Board reviewed initial Strategic Plan proposal

Board approved the 2009-2013 Strategic Plan and Planning Calendar

Board provided input on need for further in-depth planning

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section I.M.1.
Section 67-1903, Idaho Code.

BACKGROUND/ DISCUSSION

Section 67-1903, Idaho Code requires each state agency to submit an updated strategic plan each year to the Department of Financial Management (DFM), including the general format in which it must be submitted. Once the Board has approved its strategic plan the agencies and institutions must then update/develop their individual strategic plans in alignment with the Board's plan. The Board's annual strategic planning meeting takes place in May of each year in conjunction with the presidential evaluations. At the May 2009 meeting Board members will have the opportunity to provide additional guidance on the development of the following years plan. This information will be used by staff with feedback from stakeholder groups to update the Board's plan for the next cycle.

ATTACHMENTS

Attachment 1 – 2010–2014 Board Strategic Plan (redline version)

Page 2

Attachment 2 – 2010-2014 Board Strategic Plan (clean version)

Page 9

BOARD ACTION

A motion to approve the State Board of Education Strategic Plan as submitted. Specific performance measures and benchmarks included in this plan may be modified, as appropriate, by the Executive Director.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

**Idaho State Board of Education Strategic Plan
2010-2014**

VISION STATEMENT:

A well-educated Idaho.

MISSION STATEMENT:

To provide leadership, set policy, and advocate for transforming Idaho's educational system to improve the quality of life and enhance global competitiveness.

Authority and Scope:

The Idaho Constitution provides that the general supervision of the state educational institutions and public school system of the State of Idaho shall be vested in a state board of education. Pursuant to Idaho Code, the State Board of Education is charged to provide for the general supervision, governance and control of all state educational institutions, and for the general supervision, governance and control of the public school systems, including public community colleges.

**State Board of Education Governed
Agencies and Institutions:**

Educational Institutions	Agencies
Idaho Public School System	State Department of Education
Idaho State University	Division of Professional-Technical Education
University of Idaho	Division of Vocational Rehabilitation
Boise State University	School for the Deaf and the Blind**
Lewis-Clark State College	Office of the State Board of Education
Eastern Idaho Technical College	Idaho Public Broadcasting System
College of Southern Idaho*	
Northern Idaho College*	
College of Western Idaho*	
*Have separate, locally elected oversight boards	
**May be moved from the Boards oversight to a separate Bureau in FY2010	

GOALS:

Quality – Set policy and advocate for continuous improvement of the quality of Idaho's educational system.

Objectives:

1. [To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty, and staff, c](#)Continue [the development of](#) a career [advancement, professional development, continuum](#) and compensation system [for](#)

STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009

~~all teachers, faculty, and staff~~ that recognizes and rewards knowledge, skills, and productivity; ~~and promotes recruiting, hiring, and retention.~~

- *Performance Measure:* Board governed agency and institution personnel total compensation as a percent of peer organizations.
 - *Benchmark:* Teachers, faculty, and staff should enjoy good working conditions and be compensated at levels comparable (90-100 percent) to peer public and private organizations (normalized by the Consumer Price Index and location).
2. Increase the availability of highly qualified teachers, especially in high need areas.
- *Performance Measure:* Number of Idaho teachers who are certified each year by specialty and meet the Federal Highly Qualified Teacher definition.
 - *Benchmark:* Numbers of certified teachers are adequate to meet demand.
3. Enhance the State's infrastructure and capacity for biomedical research through collaborative efforts between our three public universities and the Veterans Affairs Medical Center (VAMC) Biomedical Research Expansion Initiative.
- *Performance Measure:*
 - Total dollar amount of grants for biomedical research (funded externally from state resources).
 - Number of biomedical researchers being trained and number of researchers engaged in biomedical research at the VAMC facility.
 - *Benchmark:* Total dollar value of biomedical research grant funding (external of state resources) increases.
4. Improve the service delivery model for infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
- *Performance Measure:* Satisfaction of parents of infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
 - *Benchmark:* The number of parents of infants, toddlers, children, and youth satisfied with services in the state will be at least 90%.
5. Continuously evaluate and make additions as necessary to service delivery models for transition age youth and adults with disabilities.
- *Performance Measure:* The number of eligible transitioning youth and adults who have become successfully employed.
 - *Benchmark:* The number of youth and adults successfully employed will be equal to or greater than the preceding year.
6. Support and enhance the state's infrastructure and capacity for collaborative research efforts within and among Idaho public universities and colleges and between those institutions and various state, federal, NGO, and private entities. ~~advanced energy studies through collaborative efforts between our three public universities and the Idaho National Laboratory at the Center for Advanced Energy Studies.~~

**STRATEGIC PLANNING PRESENTATION
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- *Performance Measure:* Total dollar amount of competitive, externally funded, grants in collaboration with state, federal, NGO, and private entities. of grants for advanced energy studies (funded externally from state resources).
- *Benchmark:* Total dollar value of advanced energy studies grant funding (external of state resources) increases.

8. ~~Foster an academic environment that encourages and enables cooperative (public/private partnerships) efforts to engage in relevant research.~~

- *Performance Measure:* Competitive External funding for research per faculty FTE.
- *Benchmark:* External funding for research per faculty FTE is equivalent to peer institutions.
- *Performance Measure:* Success at gaining grants requiring statewide cooperation among the universities and colleges, e.g., EPSCoR and INBRE and equitability of distribution of funding among the participating institutions.
- *Benchmark:*
 - Total \$\$ of cooperative funding exceeds that of peer EPSCoR states.
 - Funding distribution among universities and colleges is equitable.
- *Performance Measure:* Number of patents and startup companies that result from university funding.
- *Benchmark:*
 - Total # of patents per year increases each year
 - Benchmark: Total number of startups increases each year.

Access – Set policy and advocate for improving access for individuals of all ages, abilities, and economic means to Idaho's educational system.

Objectives:

1. Increase participation of secondary students in advanced opportunities programs for receiving postsecondary credits (Advanced Placement Courses, dual credit, Tech-Prep, and International Baccalaureate).
 - *Performance Measure:* Number of schools/districts offering advanced opportunities in each program, and the total number of students enrolled in each program, and the total number of credits received by students in each program.
 - *Benchmark:*
 - One hundred percent of secondary schools offer advanced opportunities.
 - Students enrolled in advanced opportunities programs will not decrease.
 - The number of credits received by students in each program will increase.

**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

2. ~~Maintain and~~ increase high school graduation rates, especially for minority students.
 - *Performance Measure:* Percentage of 9th grade students and the percentage of minority 9th grade students graduating from high school.
 - *Benchmark:* Increase the percentage of 9th grade students graduating from high school.
3. Increase student access to educational opportunities by reducing barriers to efficient transfer of credit and student status.
 - *Performance Measure:* Number of transfer students, average number of credit hours requested for transfer, and average number of credit hours (as a percent total requested) accepted for transfer by the institution.
 - *Benchmark:* At least 90% of credits requested will transfer for students (with two or less years of postsecondary education) when transferring from one of Idaho's regionally accredited postsecondary institutions to another Idaho regionally accredited postsecondary institution.
 - *Performance Measure:* 3-Year graduation rates and number of credits at graduation for transfer students with an associate degree from an Idaho community college.
 - *Benchmark:* The proportion associate degree transfer students who go on to receive a bachelor's degree and who do not exceed 125% of the credits required for the degree will increase and will be comparable to peer institutions.
- ~~4. Increase access to postsecondary education by improving students' ability to pay for educational costs.~~
 - ~~○ *Performance Measure:*~~
 - ~~* *The percent of educational costs covered by loans.*~~
 - ~~○ *Benchmark:*~~
 - ~~* *The percent of expenses paid by loans will decrease.*~~
4. Improve the rate of high school graduates advancing to postsecondary education, including minority students.
 - *Performance Measure:* Number of high school graduates and minority students (as a percent of total graduates) advancing to postsecondary education.
 - *Benchmark:* At least 50% of high school graduates will register as full-time or part-time postsecondary students after graduating high school.
5. Increase student access to programs that produce graduate qualified to enter high-demand career, as defined by the Department of Labor. This may include relevant medical education programs (nursing, physician assistant, health technicians, and physicians).
 - *Performance Measure:* Number of graduates qualified to enter high-demand careers.
 - *Benchmark:* Number of qualified graduates increases year to year.
 - ~~○ *Performance Measure:*~~

**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

- ~~▪ Number of nurses, physician assistants, health technicians, and physicians per 100K of Idaho's population.~~
- ~~○ *Benchmark:*~~
 - ~~▪ Number of nurses, physician assistants, health technicians, and physicians (per 100K of Idaho's general population) will increase each year until comparing favorably with other states in the Northwest.~~

6. Increase student access to postsecondary scholarship opportunities through expansion of both state-funded programs as well as through public-private partnerships.

- *Performance Measure:* Total level of scholarship funding available to Idaho students for in-state postsecondary educational opportunities.
- *Benchmark:*
 - Level of scholarship funding exceeds previous year's levels.
 - *Benchmark:* Level of scholarship funding compares favorably with peer institutions and states.

7. Strengthen partnerships between K-12 organizations and postsecondary institutions to enhance students' abilities to participate in postsecondary educational opportunities.

- *Performance Measure:* Number of partnerships between K-12 organizations and postsecondary institutions.
- *Benchmark:*
 - Number of partnerships meets or exceeds previous year's number.
 - Number of partnerships compares favorably with peer institutions and states.

Accountability – Set policy and advocate for effective and efficient use of resources in delivery of Idaho's educational system.

Objectives:

1. Strive for continuous improvement and increased level of public confidence in the education system through performance-based assessments and accountability, and monitoring of accreditation processes.
 - *Performance Measure:* The number of schools and districts meeting or exceeding Adequate Yearly Progress (AYP) each year.
 - *Benchmark:* Number of schools and districts meeting or exceeding AYP each year to 100% by 2013.
 - *Performance Measure:* Schools, institutions, and agencies accreditation results.
 - *Benchmark:* Schools, institutions, and agencies meet or exceed accreditation standards.
 - Performance Measures: The number of colleges and universities

STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009

- participating in the national “College Portrait”.
 - Benchmark: All colleges and universities participate by 2013.
 - Performance Measure: Successful compliance of all colleges and universities with Northwest Commission on Colleges and University accreditation standards regarding assessment and improvement of educational programs.
 - Benchmark: All colleges and universities demonstrate compliance with relevant accreditation standards.
2. Improve the quality and efficiency of data collection and reporting for informed decision-making.
- *Performance Measure:* Adequacy and scope of data collection systems.
 - *Benchmark:* Number of systems developed and implemented.
3. Improve the postsecondary program completion rate.
- *Performance Measure:* ~~Number Proportion~~ of full-time, first-time students ~~from the cohort of new first-year students~~ who complete their programs within 1½ times the normal program length.
 - *Benchmark:* Number of first year students who complete their program ~~will be is~~ equivalent to the ~~top 30%~~ median of the institutions’ peers.
 - Performance Measure: Proportion of full-time, first-time students are retained to the following fall semester.
 - Benchmark: Proportion who are retained is equivalent to the median of the institutions’ peers.
 - Performance Measure: The proportion of bachelor’s degree recipients who do not exceed 125% of the credits required for the degree.
 - Benchmark: The proportion associate degree transfer students who go on to receive a bachelor’s degree and who do not exceed 125% of the credits required for the degree will increase and will be comparable to peer institutions.
4. Develop the most efficient and cost effective delivery system for adequately meeting the needs of infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
- *Performance Measure:* Cost, proximity, and adequacy of services provided.
 - *Benchmark:* Services meet delivery standards and are efficient compared to similar delivery services in other states.
5. Improve the ~~use efficiency~~ of postsecondary educational resources.
- *Performance Measure:* The ~~program~~ cost per credit hour of the programs offered.
 - *Benchmark:* Cost per credit hour of academic programs will be consistent with institutional best practices.

STRATEGIC PLANNING PRESENTATION

FEBRUARY 26-27, 2009

- Performance Measure: The efficiency of classroom utilization, in terms of hours per week and in terms of percent of seats occupied.
 - Benchmark: Average hours per week and % of seats occupied will exceed peer medians.
6. Improve Board of Education policy pertaining to higher education tuition waivers to ensure the most strategic and efficient use of educational resources~~those waivers~~.
- Performance Measure: Effectiveness of use of waivers at increasing populations of strategically desirable student groups, such as high-tech majors, international students, minorities, etc.~~Enrollment as a percentage of capacity.~~
 - Benchmark: Numbers increase in strategically desirable student groups~~Use of tuition waivers will maximize use of institutional resources.~~
7. Support development of statewide information networks and related information technology-related infrastructure, in support of K-U agency and institutional missions for teaching, learning, and research.
- Performance Measure: Fiscal and organizational resources to maintain and enhance existing IT resources at all levels.
 - Benchmark: Levels of resources meets or exceeds last year's levels.

Key External Factors

Funding:

Most State Board of Education strategic goals and objectives assume on-going and sometimes significant additional levels of State legislative appropriations. Availability of state revenues (for appropriation) can be uncertain.

Legislation/Rules:

Beyond funding considerations, many education policies are embedded in state statute or rule and not under Board control. Changes to statute and rule desired by the Board of Education are accomplished according to state guidelines. Rules require public notice and opportunity for comment and adoption by the Legislature. Proposed legislation must be supported by the Governor, gain approval in the germane legislative committees and pass both houses of the Legislature.

School Boards:

The Board of Education establishes rules and standards for all Idaho public K-12 education, but Idaho provides for "local control of school districts." Elected school boards have wide discretion in hiring school administrators, teachers and staff, school construction and maintenance, and the daily operations of the public schools.

Federal Government:

Federal guidelines and objectives can greatly influence education policy in the State.

**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

**Idaho State Board of Education Strategic Plan
2010-2014**

VISION STATEMENT:

A well-educated Idaho.

MISSION STATEMENT:

To provide leadership, set policy, and advocate for transforming Idaho's educational system to improve the quality of life and enhance global competitiveness.

Authority and Scope:

The Idaho Constitution provides that the general supervision of the state educational institutions and public school system of the State of Idaho shall be vested in a state board of education. Pursuant to Idaho Code, the State Board of Education is charged to provide for the general supervision, governance and control of all state educational institutions, and for the general supervision, governance and control of the public school systems, including public community colleges.

**State Board of Education Governed
Agencies and Institutions:**

Educational Institutions	Agencies
Idaho Public School System	State Department of Education
Idaho State University	Division of Professional-Technical Education
University of Idaho	Division of Vocational Rehabilitation
Boise State University	School for the Deaf and the Blind**
Lewis-Clark State College	Office of the State Board of Education
Eastern Idaho Technical College	Idaho Public Broadcasting System
College of Southern Idaho*	
College of Northern Idaho*	
College of Western Idaho*	
*Have separate, locally elected oversight boards	
**May be moved from the Boards oversight to a separate Bureau in FY2010	

GOALS:

Quality – Set policy and advocate for continuous improvement of the quality of Idaho's educational system.

Objectives:

1. To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty, and staff, continue the development of a career advancement, professional development, and compensation system that recognizes and rewards knowledge, skills, and productivity.

**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

- *Performance Measure:* Board governed agency and institution personnel total compensation as a percent of peer organizations.
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2. Increase the availability of highly qualified teachers, especially in high need areas.
- *Performance Measure:* Number of Idaho teachers who are certified each year by specialty and meet the Federal Highly Qualified Teacher definition.
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- *Performance Measure:*
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 - Number of biomedical researchers being trained and number of researchers engaged in biomedical research at the VAMC facility.
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4. Improve the service delivery model for infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
- *Performance Measure:* Satisfaction of parents of infants, toddlers, children, and youth who are blind, visually impaired, deaf, or hard of hearing, including those with additional disabilities or deafblindness.
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**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

- *Performance Measure:* Competitive external funding for research per faculty FTE.
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- *Performance Measure:* Success at gaining grants requiring statewide cooperation among the universities and colleges, e.g., EPSCoR and INBRE and equitability of distribution of funding among the participating institutions.
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 - Total \$\$ of cooperative funding exceeds that of peer EPSCoR states.
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1. Increase participation of secondary students in advanced opportunities programs for receiving postsecondary credits (Advanced Placement Courses, dual credit, Tech-Prep, and International Baccalaureate).
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STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009

2. Increase high school graduation rates, especially for minority students.
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4. Improve the rate of high school graduates advancing to postsecondary education, including minority students.
 - *Performance Measure:* Number of high school graduates and minority students (as a percent of total graduates) advancing to postsecondary education.
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STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009

- *Benchmark:* Level of scholarship funding compares favorably with peer institutions and states.
7. Strengthen partnerships between K-12 organizations and postsecondary institutions to enhance students' abilities to participate in postsecondary educational opportunities.
- *Performance Measure:* Number of partnerships between K-12 organizations and postsecondary institutions.
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 - Number of partnerships meets or exceeds previous year's number.
 - Number of partnerships compares favorably with peer institutions and states.

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STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009

3. Improve the postsecondary program completion rate.
 - *Performance Measure:* Proportion of full-time, first-time students who complete their programs within 1½ times the normal program length.
 - *Benchmark:* Number of first year students who complete their program is equivalent to the median of the institutions' peers.

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6. Improve Board of Education policy pertaining to higher education tuition waivers to ensure the most strategic and efficient use of those waivers.
 - *Performance Measure:* Effectiveness of use of waivers at increasing populations of strategically desirable student groups, such as high-tech majors, international students, minorities, etc..
 - *Benchmark:* Numbers increase in strategically desirable student groups ↑.
7. Support development of statewide information networks and related information technology-related infrastructure, in support of K-U agency and institutional missions for teaching, learning, and research.

**STRATEGIC PLANNING PRESENTATION
FEBRUARY 26-27, 2009**

- *Performance Measure:* Fiscal and organizational resources to maintain and enhance existing IT resources at all levels.
- *Benchmark:* Levels of resources meets or exceeds last year's levels.

Key External Factors

Funding:

Most State Board of Education strategic goals and objectives assume on-going and sometimes significant additional levels of State legislative appropriations.
Availability of state revenues (for appropriation) can be uncertain.

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Beyond funding considerations, many education policies are embedded in state statute or rule and not under Board control. Changes to statute and rule desired by the Board of Education are accomplished according to state guidelines. Rules require public notice and opportunity for comment and adoption by the Legislature. Proposed legislation must be supported by the Governor, gain approval in the germane legislative committees and pass both houses of the Legislature.

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Federal guidelines and objectives can greatly influence education policy in the State.

**PLANNING, POLICY & GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009**

TAB	DESCRIPTION	ACTION
1	PRESIDENTS' COUNCIL REPORT	Informational Item
2	BOISE STATE UNIVERSITY ANNUAL REPORT	Informational Item
3	IDAHO DIVISION OF VOCATIONAL REHABILITATION ANNUAL REPORT	Informational Item
4	IDAHO COMMISSION FOR LIBRARIES	Motion to Approve
5	IDAHO SCHOOL FOR THE DEAF AND BLIND LEASE AGREEMENT	Informational Item
6	WAIVER – FALL ISAT REQUIREMENT	Motion to Approve
7	BOARD POLICY I.E. EXECUTIVE OFFICER DISCUSSION	Informational Item
8	LEGISLATIVE UPDATE	Informational Item

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PLANNING, POLICY AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Presidents' Council Report

BACKGROUND/ DISCUSSION

Dr. Jerry Beck, President of the College of Southern Idaho and current Chair of the Presidents' Council will give the bi-monthly report for the Presidents' Council.

ATTACHMENTS

Attachment 1 – Presidents' Council Report

Page 3

BOARD ACTION

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

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IDAHO UNIVERSITIES AND COLLEGES PRESIDENTS' COUNCIL

• **Discussion Points of the Tuesday, January 27, 2009 meeting.**

Discussion was held by Presidents and Board members present about the membership of the Presidents' Council and the rotation of chairmanship. It was agreed that someone with direct supervision from the State Board of Education should chair the group at least every other year. It was suggested that we have discussions on this topic along with the following items for clarification.

- A. Mike Rush to locate rotation schedule
- B. Some meetings could/should be held by teleconference
- C. Council should meet with the governor at least three times a year

• **Submission of agenda items for State Board meetings.**

- Dr. Rush asked for everyone's help in getting agenda items by stated deadlines. Currently the board only has 5-7 days to read 1000 – 1500 pages of materials.
- In recent months the agenda has been held up due to institutions not providing all the necessary agenda items timely.

• **Full-time student status being 12 credits**

This topic was broken into two categories.

A. Full-time Status

At the January meeting the Board passed fulltime status for consistency across the board and to be congruent with financial aid policy.

B. Fiscal Impact

Additional information is being requested from each institution as to what the financial impact would be if tuition fees were charged on a per credit basis. This topic will carry over to the next meeting.

• **Discussion of Out of State Recruitment**

A discussion was held as to whether institutions should be looking to out of state recruitment to fill seats in selected areas.

The February 3rd meeting is cancelled.

The next meeting is Tuesday, March 3rd.

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PLANNING, POLICY AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Boise State University Progress Report

BACKGROUND/DISCUSSION

Periodically, the institutions of higher education in the State of Idaho are requested to provide a progress report to the members of the State Board of Education.

Dr. Robert Kustra, President of Boise State University, will be in attendance at the meeting and will present a summary of the accomplishments and future goals of the college.

BOARD ACTION

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PLANNING, POLICY AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Idaho State Division of Vocational Rehabilitation Agency Report

BACKGROUND/DISCUSSION

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

Dr. Michael Graham, Administrator, will be in attendance at the meeting and will present a summary of the accomplishments and future goals of the Idaho Division of Vocational Rehabilitation (IDVR).

BOARD ACTION

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

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PLANNING, POLICY & GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009

IDAHO COMMISSION FOR LIBRARIES

SUBJECT

Appointment to the Idaho Board of Library Commissioners

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures; Section IV. H.
1.b.(1). Idaho Code, 33-2502

BACKGROUND/DISCUSSION

The State Board of Education has statutory authority for the appointment and reappointment of members to the Board of Library Commissioners.

Under the Board's appointment procedures, for an open appointment the Board of Commissioners is required to advertise the vacancy in appropriate state, regional or local publications. The Board of Commissioners reviews all applications received and forwards only the most highly qualified applicants, in order of preference to the Board for consideration. In making the final appointment, the Board is required to consider geographic representation, qualifications and willingness to advocate for the development and delivery of library and information services in Idaho.

Richard Rognas was appointed by the board to fill the first congressional district seat on the Commission in 2007 for a term beginning July 1, 2007 and ending June 30, 2012. Mr. Rognas has recently passed away and his seat on the Commission needs to be filled. The Board of Commissioners will be meeting on February 20th, 2009 to review the submitted applications and will be forwarding the most highly qualified application in order of preference to the Board prior to the February 26th Board meeting.

ATTACHMENTS

Attachment 1 – News Release

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The material for the February Board agenda was prepared prior to the Commission for Libraries meeting scheduled for February 20th, 2009. The Commission will provide their recommendations in order of preference, along with applicant's letters of interest for the Boards review prior to the Boards February 26th, 2009 meeting date.

BOARD ACTION

Motion to approve the appointment of _____ to the Idaho Board of Library Commissioners for a term beginning immediately and ending June 30, 2012.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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IDAHO COMMISSION FOR LIBRARIES

325 West State Street Boise, Idaho 83702 | ph. 208.334.2150 | 800.458.3271 | Fax: 208.334.4016

News Release

January 8, 2009

For immediate release

For information: Ann Joslin, State Librarian
208-334-2150

Applicants sought for Board of Library Commissioners

The Idaho Commission for Libraries is seeking applicants for the Board of Library Commissioners. A resident of Idaho's First Congressional District is being sought to complete a term that runs through June 30, 2012.

The Board of Library Commissioners is the policymaking body for the Idaho Commission for Libraries, a state agency established to assist libraries to build the capacity to better serve their clientele. Commission staff actively work with libraries throughout the state to plan and deliver 21st century library services.

The State Board of Education has designated the Board of Library Commissioners as the screening committee for this appointment. The Commissioners intend to have a recommendation to the State Board of Education for action at its February 2009 meeting.

Service on the Board of Library Commissioners requires that a member be available for meetings approximately eight days each year. The meetings are telephone conference calls or face to face, with the majority of the face to face meetings being held in Boise. Members receive an honorarium, travel, lodging and per diem expenses when conducting Commission business.

Qualifications include residency in Idaho, being 18 years of age or older, and having an interest in library services. Familiarity with the Idaho library community and experience serving

PLANNING, POLICY & GOVERNMENTAL AFFAIRS
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on a governing board or holding a public office are desirable. Applicants must provide a written statement expressing his or her interest in serving on the Board, evidence of his or her qualifications, and location of primary residence. Consideration will be given to geographical representation, interest, knowledge, experience, and willingness to advocate for the development and delivery of library services in Idaho.

Applications are to be submitted to Ann Joslin, State Librarian, Idaho Commission for Libraries, 325 W. State Street, Boise, ID 83702 by January 30, 2009. Questions may be directed to the State Librarian at the above address or by calling 208-334-2150. More information about the Commission can be found at <http://libraries.idaho.gov>.

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PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
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SUBJECT

Waiver of IDAPA 08.02.03 Rules Governing Thoroughness, 111 - Assessment in the Public Schools

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Administrative Code, IDAPA 08.02.03 - Section 111.07
No Child Left Behind Act of 2001. Section 1111(b)(3)(c)(v)(I)

REFERENCE

June 19, 2008 Board approval to waive the fall ISAT as outlined in IDAPA 08.02.03.111

BACKGROUND/DISCUSSION

The federal requirements under the No Child Left Behind Act of 2001 for statewide standard achievement testing are for testing in grades 3-8 and once in high school. Idaho has chosen to test in grade 10 as the year required for high school.

Idaho Administrative Code, IDAPA 08.02.03.111.07 currently requires testing students in the fall as a part of the overall comprehensive assessment program. The fall Idaho Standards Achievement Test (ISAT) is not a requirement of the No Child Left Behind Act.

IMPACT

Waiving the fall 2009 ISAT for all grades for a second year will allow the continuation of funding other essential parts of the comprehensive assessment.

Waiving the fall 2009 ISAT for a second consecutive year will result in another lost data point for schools and districts as they track student achievement. For 2003-2007, schools and districts were required to administer a fall and spring version of the ISAT and had flexibility to use fall-to-spring data and/or spring-to-spring data to document the academic achievement of students. However, since the use of fall-to-spring data was inconsistent across districts, waiving the fall administration will not have the same impact on all districts. Some schools and districts used fall data for placement and planning for intervention for new students and for those districts, that tool will be lost.

The fall administration and reporting of the ISAT cost the State approximately \$450,000. Savings from waiving the 2008 Fall Interim ISAT were reallocated to develop the Part 2 Extender (adaptive) for all students for the spring 2009 ISAT, including those students who take the accommodated versions, audio online, Braille, paper/pencil and large print. In prior years, students taking the accommodated version took only the federally required Part 1 ISAT NCLB Core. To remain in federal Office of Civil Right compliance, the Part 2 Extender must be available to all students. The Part 2 Extender allows reporting at a finer level

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
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of detail for students resulting in more informative individual student reports. Additionally, waiving the fall ISAT would free up valuable computer time.

ATTACHMENTS

Attachment 1– IDAPA 08.02.03.111.07 Rules Governing Thoroughness
Assessment in the Public Schools Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The Board will be able to consider the continuation or elimination of fall testing again in 2010.

BOARD ACTION

A motion to waive the fall ISAT requirement for the 2009-2010 school year as established in IDAPA 08.02.03.111.07 and eliminate offering the test for fall 2009.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS
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**IDAPA 08
TITLE 02
CHAPTER 03**

08.02.03 - RULES GOVERNING THOROUGHNESS

111. ASSESSMENT IN THE PUBLIC SCHOOLS.

07. Comprehensive Assessment Program Schedule. (5-3-03)

a. The Idaho Reading Indicator will be administered in accordance with Section 33-1614, Idaho Code. (3-15-02)

b. The Direct Math Assessment and the Direct Writing Assessment will be administered in December in a time period specified by the State Department of Education. (3-15-02)

c. The National Assessment of Educational Progress will be administered in timeframe specified by the U.S. Department of Education. (3-15-02)

d. The Idaho Standards Achievement Tests will be administered twice annually in the Fall and Spring in a time period specified by the State Board of Education. (5-3-03)

e. The Idaho Alternate Assessment will be administered in a time period specified by the State Board of Education. (4-2-08)

f. The Idaho English Language Assessment will be administered in a time period specified by the State Board of Education. (4-2-08)

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PLANNING, POLICY AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Board Policy I.E. Executive Officers

REFERENCE

October 2007	Board approved second reading of Board Policy I.E. Executive Officers.
December 2008	Board approved the first reading with changes of Board Policy I.E. Executive Officers.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections I.E. Executive Officers.

BACKGROUND/DISCUSSION

Board Policy I.E., as approved October 2007, provides that the Board and each chief executive officer shall sign an annual letter of agreement and that the chief executive officers shall not receive supplemental salary compensation from affiliated institutional foundations or other sources except as outlined in said policy.

In an effort to improve and strengthen the Board's efforts in recruiting and retaining highly qualified candidates, a proposed policy revision allowing for multiyear contracts was discussed at the December 2008 Board meeting. As a result of the discussion Board staff have listed a number of issues that should be settled prior to moving forward with further revision to Board Policy I.E.

Issues for Discussion:

1. Multi-year employment contracts for chief executive officers

- a. What are the Board's objectives?
- b. How important is the at-will employment relationship (terminable for any reason, without cause)? How does this impact contracts?
- c. How do Board members want contracts to affect termination?
 - i. Tenure – current Board policy does not permit tenure for institution presidents
 - ii. Compensation – if any, post termination
- d. Does the Board want similar contract provisions for chief executive officers as they have for coaches and other classes of employees?
 - i. Coach Contract – single year (At-will modified)
 1. Termination for Cause/No compensation obligation
 2. Termination for Death/Disability
 - ii. Coach Contract – multi-year – 5 year limit (At-will modified)
 1. Termination for Cause/No compensation obligation

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2. Termination for Convenience by University/Compensation obligation is for term of contract, with some caveats
3. Termination for Convenience by Coach/Liquidated Damages
4. Termination for Death/Disability
- iii. Non-classified employees on employment contract – 1 year limit (At-will modified)
 1. Termination for Cause/No compensation obligation
 2. But, a non-renewal procedure
- iv. Tenured faculty
 1. Must serve on employment contract, policy silent on term limit
 2. Termination for cause
- v. Non-tenured faculty – 1 year limit (At-will modified)
 1. Policy silent on termination
 2. Non-renewal procedure

2. Foundation supplements

- a. Does the Board wish to permit supplements to university presidents?
 - i. Benefits
 - ii. Perquisites
 - iii. Compensation
- b. If so, what procedure must be followed:
 - i. Previous policy required that the president provide notice to the Board president and executive director of a foundation's intention to provide supplements. BAHF is directed to negotiate terms. The terms are to be memorialized in an agreement between the Board, institution president, and foundation, and must include a provision in which the foundation and institution president indemnify the Board against claims arising from the agreement.

IMPACT

Direction regarding the above issues would allow for Board staff to finalize changes to Board Policy I.E.

BOARD ACTION

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

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Legislative Update

BACKGROUND/ DISCUSSION

A brief update will be given on legislative action that has taken place since the January 2009 legislative meeting.

BOARD ACTION

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

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**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009**

TAB	DESCRIPTION	ACTION
1	COLLEGE OF WESTERN IDAHO (CWI) REQUEST FOR APPROVAL OF PROFESSIONAL-TECHNICAL EDUCATION PROGRAMS AND OPTIONS	Motion to Approve
2	SECOND READING, PROPOSED AMENDMENTS TO BOARD POLICY III.D. OFFICIAL CALENDARS	Motion to Approve
3	GEAR UP EVALUATION SERVICES	Information Item
4	REVISION OF TITLE III ACCOUNTABILITY PROCEDURES	Motion to Approve
5	DUAL CREDIT DATA UPDATE	Information Item

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**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009**

STATE DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

SUBJECT

College of Western Idaho (CWI) Request for Approval of Professional-Technical Education Programs and Options

REFERENCE

February 28, 2008

The Board approved a request by CWI to be designated as the technical college in Region III upon final recommendation by the Division of Professional-Technical Education.

April 16, 2008

The Board approved closure of the Selland College of Applied Technology at Boise State University and discontinuation of BSU's PTE programs effective July 1, 2009.

APPLICABLE STATUTES, RULE OR POLICY

Sections 33-2201 through 33-2207, Idaho Code; IDAPA 55.01.01 and 55.01.02; State Board of Education Policies and Procedures, III.G. Program Approval and Discontinuance.

BACKGROUND/DISCUSSION

Professional-technical education programs in Region III were approved in accordance with Board Policy III.G.5.(a)(3) to be offered through the Selland College of Applied Technology at Boise State University. The Board approved closure of the Selland College of Applied Technology at Boise State University and discontinuation of BSU's PTE programs effective July 1, 2009. It is the intent of CWI to offer these professional-technical education programs beginning July 1, 2009. In order to facilitate approval of the College of Western Idaho professional-technical education programs and options, the Division of Professional-Technical Education utilized a modified Notice of Intent process. The original approved Notice of Intent(s) submitted by the Selland College of Applied Technology for these programs and options are on file in the Division of Professional-Technical Education.

The College of Southern Idaho (CSI) entered into a formal memorandum of understanding with CWI to be its partnering institution for accreditation by the Northwest Commission of College and Universities (NWCCU). The accrediting standards require that CSI approve all curriculum that will be taught by CWI prior to its delivery.

The College of Western Idaho is proposing to offer the professional-technical programs and options as detailed in Attachment A beginning July 1, 2009. The

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

programs and options have been reviewed and approved by the College of Southern Idaho's Curriculum Committee.

In accordance with Board Policy III.G.5 (a)(3), *Board Approval Procedures*, "Professional-technical requests will be forwarded to the State Administrator of the Idaho Division of Professional-Technical Education for review and recommendation. The Administrator shall forward the request to CAAP for its review and recommendation. If CAAP and/or PTE administrator recommends approval, the proposal shall be forwarded, along with recommendations, to the Board for action. Requests that require new state appropriations will be included in the annual budget request of the Division and the State Board of Education."

The request was forwarded to the Council on Academic Affairs and Programs for review at its January 29, 2009 meeting, and it recommends approval. The Administrator of the Division of Professional-Technical Education has reviewed the request and recommends approval of the programs and options.

IMPACT

Board approval of the professional-technical education programs and options is one of the indicators that CWI must meet in order to be designated as the technical college in Region III.

ATTACHMENTS

Attachment A	Summary of Programs, Degrees and Certificates	Page 5
Attachment B	Summary of Process for Program review for New Professional-Technical Programs being requested by the College of Western Idaho	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

A modified Notice of Intent process was developed specifically to review the programs slated for transfer. This process has provided the College of Western Idaho and the Division of Professional Technical Education the information needed to ensure that the new programs will meet program approval standards set forth in Board policy III.G.5(a)(3). This process also helped ensure the programs would be of sufficient scope, quality, and relevance to provide students with educational opportunities that will enhance the workforce of the region. These programs conform to the Idaho State Statutes and Idaho Code associated with the funding and delivery of post secondary professional technical educational offerings.

Instruction, Research, and Students Affairs, Council on Academic Affairs and Programs, Professional-Technical Education, and staff recommend approval of the request from the College of Western Idaho for the professional-technical education programs and options as shown in Attachment A.

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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BOARD ACTION

A motion to approve the request from the College of Western Idaho to offer the professional-technical education programs and options as shown in Attachment A beginning July 1, 2009.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Attachment A - Summary of Programs, Degrees and Certificates

This is a summary of professional-technical instructional programs, certificates, degrees and options being requested for approval at the College of Western Idaho beginning July 1, 2009. This is a support document for the Notice of Intent process as described in SBOE Policy III.G. *Updated 1/16/2009*

Program Name	CIP Code nces.ed.gov	SDPTE Program ID Number	Postsecondary Technical Certificate: Comprised of a minimum of 8 credit hours.	Technical Certificate: Comprised of a minimum of 27 credit hours.	Advanced Technical Certificate: Comprised of a minimum of 52 credit hours and longer than one academic year.	Associate of Applied Science (AAS): A minimum of 60 credit hours, which includes a minimum of 16 general education credits, and longer than one academic year.
Apprenticeship	47.0000	47296				Yes
Auto Body	47.0603	47248		Yes	Yes	Yes
Automotive Technology	47.0604	47249		Yes	Yes	Yes
Maintenance & Light Repair	47.0604		Yes			
Broadcast Technology	10.0202	47294			Yes	Yes
Business Technology	52.0401	44027		Yes		
Accounting Technology	52.0401				Yes	Yes
Administrative Office Technology	52.0401				Yes	Yes
Legal Office Technology	52.0401				Yes	Yes
Office Occupations	52.0401	46001	Yes			
Child Care and Development	19.0708	45002		Yes	Yes	Yes
Child Development Associate	19.0708		Yes			
Computer Network Technology	11.0901	47311			Yes	Yes
Network Technician	11.0901			Yes		
Computer Service Technology	47.0102	47251			Yes	Yes
Computer Peripheral Service	47.0102			Yes		
PC/LAN Specialist	47.0102			Yes		
Culinary Arts	12.0503	45001	Yes	Yes	Yes	Yes
Dental Assisting	51.0601	43003		Yes		Yes
Drafting Technology	15.1302	47246		Yes	Yes	Yes
Electrical Lineworker	46.0303	47256		Yes		
Electronics Technology	15.0303	47257			Yes	Yes
Industrial Electronics Technology	15.0303				Yes	Yes
Farm Business Management	01.0104	46027	Yes			
Fire Service Technology	43.0203	47306				Yes
Wildland Fire Management	43.0203					Yes
Heavy Duty Truck Technician	47.0605	47247		Yes	Yes	Yes
Heavy Equipment Technology	47.0605	47322		Yes	Yes	Yes

Program Name	CIP Code nces.ed.gov	SDPTE Program ID Number	Postsecondary Technical Certificate: Comprised of a minimum of 8 credit hours.	Technical Certificate: Comprised of a minimum of 27 credit hours.	Advanced Technical Certificate: Comprised of a minimum of 52 credit hours and longer than one academic year.	Associate of Applied Science (AAS): A minimum of 60 credit hours, which includes a minimum of 16 general education credits, and longer than one academic year.
Horticulture Technology	01.0601	41001			Yes	
Horticulture Assistant	01.0601			Yes		
Horticulturist	01.0601					Yes
Industrial Maintenance Technology	47.0303	47255		Yes		
Automated Industrial Technician	47.0303				Yes	Yes
Environmental Control Technician	47.0303				Yes	Yes
Machine Tool Technology	48.0501	47254		Yes	Yes	Yes
Manufacturing Systems Technology	15.0613	47287			Yes	Yes
Marketing/Management Technology	52.1401	42001		Yes	Yes	Yes
Nursing - ADN (RN)	51.1601	43058				Yes
Nursing - Practical Nursing (LPN)	51.1613	43001			Yes	
Powersports and Small Engine Repair	47.0606	47253		Yes	Yes	Yes
Idaho Professional Driver Training Program	49.0205	46012	Yes			
Refrigeration, Heating and Air Cond	47.0201	47250		Yes	Yes	Yes
Semi-Conductor Manufacturing Tech	15.0399	47285			Yes	Yes
Surgical Technology	51.0909	43002		Yes		
Welding & Metals Fabrication	48.0508	47252		Yes	Yes	Yes
Mechanical/Welding Technician	48.0508				Yes	Yes
TOTALS →			6	21	27	31

ATTACHMENT B

SUMMARY OF THE PROCESS FOR PROGRAM REVIEW FOR NEW PROFESSIONAL-TECHNICAL PROGRAMS BEING REQUESTED BY THE COLLEGE OF WESTERN IDAHO. THIS IS A SUPPORT DOCUMENT FOR THE MODIFIED NOTICE OF INTENT PROCESS AS DESCRIBED IN SBOE Policy III.G. (Updated January 16, 2009)

Professional-technical education programs in Region III were approved in accordance with Board policy III.G.5(a)(3) to be offered through the Selland College of Technology at Boise State University. The Board approved closure of the Selland College of Applied Technology at Boise State University and discontinuation of the associated PTE programs effective July 1, 2009. It is the intent of the College of Western Idaho to offer these professional-technical programs beginning July 1, 2009. In order to facilitate approval of the College of Western Idaho professional-technical education programs and options, the Division of Professional-Technical Education utilized a modified program approval process. The original approved Notice of Intent(s) submitted by the Selland College of Applied Technology for these programs and options are on file in the Division of Professional-Technical Education.

This is a summary of the modified program approval process and serves as a support document for the program approval request for professional-technical programs at the College of Western Idaho. All materials that were compiled to develop this summary are available in the office of the State Division of Professional-Technical Education. The modified program approval process utilized the data normally found in a Notice of Intent for new programs and was modified where appropriate for existing programs.

The Division of Professional-Technical Education evaluated the following objectives utilizing data provided by Boise State University, Selland College of Applied Technology and the College of Western Idaho. The documentation for each objective is available through the Division of Professional-Technical Education.

Sixteen objectives were developed, evaluated and are listed below. These objectives were designed to analyze each professional-technical program requested by CWI for enrollment, job placement, capacity for students, faculty, instructional support staff, facilities, equipment, fiscal resources, and employment opportunities. Where appropriate, the data was collected for the previous three year period.

Objective 1: Evaluate the number of FTE faculty by instructional program.

Objective 2: Evaluate the number of instructional support staff to include teacher's aides, lab assistants, etc. by instructional program.

Objective 3: Evaluate the enrollment by instructional program.

Objective 4: Evaluate the program completers by instructional program.

- Objective 5: Review the Idaho Department of Labor projections for employment opportunities by instructional program, for the State of Idaho, and specifically Ada and Canyon Counties.
- Objective 6: Project fiscal year 2010 enrollments by program.
- Objective 7: Document that program advisory committee members were involved in and were aware of the transitional process from BSU Selland College to CWI.
- Objective 8: Identify non-instructional support staff by position title and the FTE by position.
- Objective 9: Describe the physical locations and facilities for accommodating all support staff.
- Objective 10: Identify specific facilities to be utilized for each program to include a brief description of the facilities and their location.
- Objective 11: Estimate facility costs for rental or renovation that will be funded by the College of Western Idaho's general fund.
- Objective 12: Indicate how programs and staff will be equipped.
- Objective 13: Professional-technical programs currently taught at Boise State University and the College of Southern Idaho which have been identified as like programs by the State Division of PTE staff will be offered by the College of Western Idaho using curriculum that has been reviewed for common outcomes by the program faculty at the College of Southern Idaho.
- Objective 14: Professional technical programs that are currently offered at Boise State University and are not offered at the College of Southern Idaho will utilize the current Boise State University curriculum. The curriculum will be reviewed by the program faculty at the College of Southern Idaho.
- Objective 15: Any new programs that are not currently offered at the College of Southern Idaho or at Boise State University will need to go through the College of Southern Idaho Curriculum Committee and then the State Board of Education's new program notice of intent process.
- Objective 16: Develop a FY 2010 projected budget for each program and support costs.

This modified Notice of Intent process has provided the College of Western Idaho and the Division of Professional Technical Education the information needed to ensure that the new programs will meet program approval standards set forth in Board policy III.G.5(a)(3). This process also helped ensure the programs would be of sufficient scope, quality, and relevance to

provide students with educational opportunities that will enhance the workforce of the region. These programs conform to the Idaho State Statutes and Idaho Code associated with the funding and delivery of post secondary professional technical educational offerings. Through this process the PTE programs will be offered under the accreditation of the College of Southern Idaho and will provide students the opportunity to achieve certificates and degrees from an accredited college. The PTE programs will provide sound educational experiences utilizing appropriate numbers of faculty and staff, facilities, equipment, and fiscal resources. Existing advisory committees and business partnerships will provide community involvement in the maintaining and development of new programs within the region.

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INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Second Reading, Proposed Amendments to Board Policy III.D. Official Calendars

REFERENCE

December 6-7, 2007

The Board reviewed the First Reading, Deletion of Board Policy III.D. Official Calendars and asked that the policy be revised rather than deleted to require calendars be posted electronically.

December 4-5, 2008

The Board approved the First Reading of proposed amendments to Board Policy Section III.D. Official Calendars.

BACKGROUND/DISCUSSION

The Board's Governing Policies and Procedures Section *III.D., Official Calendars* currently requires that institutions submit to the Board office and share with Idaho institutions a copy of their official calendar. The schedule is reviewed and approved by the Chief Executive Officer of the institution "no later than October preceding the start of the planned academic year."

Institutions are required to have calendars publicly available and easily accessible per accreditation requirements of the Northwest Commission on Colleges and Universities (NWCCU).

The proposed amendments include language to require Idaho's public institutions to post their official calendars to their respective websites prior to the start of the planned academic year. In addition, language was amended to require institutions to notify the Office of the State Board of Education and Idaho institutions via email when official calendars have been posted to websites.

IMPACT

There have been no changes between the first and second readings. The Board will no longer require paper copies of the institutional calendars be filed at the Board office. Institutions will be required to post their academic calendars to their perspective websites prior to each academic year.

ATTACHMENTS

Attachment 1 – First Reading - Board Policy III.D

Page 3

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

STAFF COMMENTS AND RECOMMENDATIONS

IRSA, C AAP, a nd Board st aff r ecommends approval of t he proposed amendments to Board Policy III.D. Official Calendars as presented.

BOARD ACTION

A motion to approve the second reading of the proposed amendments to Board Policy III.D. Official Calendars as presented.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009**

Attachment 1

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

SUBSECTION: D. Official Calendars

April 2005

D. Official Calendars

Each institution ~~will~~ shall prepare on an ongoing basis a schedule indicating significant dates and events (such as registration periods, vacations or holidays, and dates classes begin and end) occurring in the twelve-month period commencing with each institution's ~~the~~ fall term. This schedule must be presented to the chief executive officer of the institution for "review and action" ~~no later than October~~ preceding the start of the planned academic year. This schedule will be designated the Official Calendar for the institution and ~~will~~ shall ~~be distributed in October~~ posted by each institution on its official website. ~~to the~~ The Office of the State Board of Education and the Idaho institutions specified in Subsection A shall be notified promptly via e-mail when official calendars have been posted to respective websites, but not later than the beginning of a n institution's fall term. Changes made by the chief executive officer in the Official Calendar ~~also will be distributed as specified above~~ will also be posted and institutions promptly notified as specified above.

Each semester indicated in the Official Calendar of an institution will consist of seventeen (17) weeks with at least fifteen (15) full weeks or seventy-five (75) instructional days of class work or its equivalent effort.

Official calendars must indicate that classes will be held on state holidays designated for Columbus Day and Veterans Day and offices in the institutions will be open, with compensatory time provided at appropriate times within the academic calendar.

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INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Contract for Evaluation Services –GEAR UP Idaho

APPLICABLE STATUTE, RULE, OR POLICY

The Higher Education Act of 1965, as amended
Title IV, Part A, Subpart 2 Chapter 2 –Gaining Early Awareness and Readiness
for Undergraduate Programs
Education Department General Administrative Regulations Part 694
Idaho State Board of Education Policy Section V: C.1.d
Idaho State Board of Education Policy Section V: I.3.a

BACKGROUND/DISCUSSION

The Board approved the development and release of a request for proposal leading to the award of a contract for evaluation services for the GEAR UP Idaho program not to exceed \$175,000.00 per year in total at its October 2008 meeting.

Working closely with the Division of Purchasing, GEAR UP staff prepared and released RFP-02154 on December 9, 2008. A bidder's conference call was conducted on December 15, 2009. Fourteen businesses joined the conference. Eleven bids were received by the January 20, 2009 deadline. (Note: Prior to the bid, the GEAR UP staff did contact the post-secondary institutions in the state to determine their willingness/ability to perform the federal requirements for this evaluation. They were unable to do so.)

The maximum score for this RFP was 1000 points. A four member Proposal Evaluation Committee independently scored each technical proposal. The maximum possible points for a technical proposal was 600.

Cost proposals ranged from \$85,800.00 to \$330,280.00. Cost proposals were scored using a formula provided by the Division of Purchasing. The lowest cost received the maximum score of 400 points with subsequent bids receiving a proportion of points in relation to the lowest bid. Points awarded for the technical proposal were added with points awarded for the cost proposal.

CoBro Consulting was the Bidder with the highest point total. CoBro Consulting has the highest technical proposal score (538/600) and the third highest cost proposal score (264/400). The Division of Purchasing issued a Letter of Intent on February 3, 2009 and issued the contract to CoBro Consulting on February 11, 2009.

IMPACT

The contract with CoBro Consulting provides the best combination of services for the cost. At \$130,000.00, the contract is \$43,300.00 below the level set in the RFP.

STAFF COMMENTS AND RECOMMENDATIONS

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
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The use of the competitive bidding process resulted in the identification of multiple service providers and a range of cost considerations. The final selection of CoBro Consulting provides a contractor that will meet or exceed all GEAR UP Idaho specifications, including implementation timelines for both legacy data and real time data entry of service and matching resources data. The contract bid of \$130,000.00 is below the level authorized by the Board at its October 2008 meeting.

BOARD ACTION

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

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Revision of Title III/Limited English Proficiency Accountability Plan – Annual Measurable Achievement Objectives for Idaho's school districts.

REFERENCE

August 2006 Adoption of Accountability Plan for State Limited English Proficiency (LEP) Program was approved and incorporated by reference.

APPLICABLE STATUTE, RULE, OR POLICY

No Child Left Behind Act of 2001, Title III, Part A: Language Instruction for Limited English Proficient and Immigrant Students, Section 3122. Achievement Objectives and Accountability.
House Bill NO. 787

BACKGROUND/DISCUSSION

Title III of the No Child Left Behind (NCLB) Act of 2001, establishes sanctions or consequences for Local Education Agencies (LEAs), or school districts, that do not meet Title III Annual Measurable Achievement Objectives (AMAOs). An AMAO is a performance objective, or target, that all LEAs must meet each year for the Limited English Proficient students. Title III mandates that all states develop state-appropriate annual measurable achievement objectives (AMAOs) for (1) growth and (2) proficiency on the language assessment.

Because of these federal requirements, Idaho developed the LEP Accountability plan in the first year of testing with the Idaho English Language Assessment (IELA). Now after three years of testing, the Title III/IELA program was able to look at those three years of IELA and ISAT student data.

The data was presented to a group of Idaho educators who decided on the following changes and annual increases to the targets:

1. AMAO #1 – English Language Growth on the IELA (pages 9-10 of Attachment 1) Current target: 55% of LEP students will move one level of proficiency on the IELA, per year.

Proposed target: Beginning in 2009, 25% of LEP students will move one level of proficiency on the IELA. The targets will increase annually as follows:

Title III/LEP Annual Measurable Achievement Objectives (AMAOs) #1 Growth										
Year	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Target	25%	26.1%	27.2%	28.3%	29.4%	30.5%	31.6%	32.7%	33.8%	34.9%
rounded	25	26	27	28	29	31	32	33	34	35
Point increase	1.111	1.111	1.111	1.111	1.111	1.111	1.111	1.111	1.111	1.111

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2. AMAO # 2 – English Language Proficiency on the IELA (pages 11-12 of Attachment 1) Current target: 20% of LEP students will attain proficiency on the IELA each year. Proficiency is defined as scoring a 5 overall (Fluent) and an EF+ on each sub-domain of listening, speaking, reading, writing and comprehension.

Proposed target: Beginning in 2009, 13% of LEP students will attain proficiency on the IELA each year. Proficiency is defined as scoring an EF+ on each sub-domain of listening, speaking, reading, writing and comprehension. This could result in a student scoring a 4 or 5 overall. The targets will increase annually as follows:

Title III/LEP Annual Measurable Achievement Objectives (AMAOs) #2 Proficiency										
Year	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Target	13%	13.7%	14.5%	15.3%	16.1%	16.8%	17.6%	18.4%	19.2%	19.9%
rounded	13	14	15	15	16	17	18	18	19	20
Point increase	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777

3. Exiting from the LEP Program (page 12 of Attachment 1)
It was decided that the new definition of proficiency described above, would be applied to the definition of exiting LEP students out of the program. Therefore, when a student scores an EF+ on each sub-domain on the IELA they will be eligible to begin transitioning out of a language development program.

4. N size of 34 (page 9 of Attachment 1)
Idaho has applied the “n” size of 34 in the Title I Accountability Workbook. New federal flexibility allows for Title III targets, as defined above for Idaho, to apply the same “n” count. Therefore, Idaho will require the accountability targets only for districts that have 34 or more LEP students.

IMPACT

The impact on the districts will be positive, as it lowers the accountability targets for district LEP programs in Idaho. Therefore, more districts will now achieve the established targets for their LEP students.

The impact of failure to reach these targets remains the same as set forth in 2006, in that districts would need to change their means of service for LEP students in order to improve student performance. This may cost the districts money as they complete a school improvement or corrective action plan and provide more professional development and technical assistance within the district.

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The impact of #4 above, applying the “n” count of 34 to IELA accountability, would allow these particular districts to not have any assessment related accountability for their LEP students. Therefore, no funds would be expended to develop district improvement plans or restructure their programs. However, absence of accountability poses a concern for the potentially negative impact it could have on the students themselves.

ATTACHMENTS

Attachment 1 – Title III/Limited English Proficiency (LEP)

Page 5

Accountability Plan: *Annual Measurable*

Achievement Objectives (AMAOs) for Idaho

Education Agencies (LEAs). Revised February 2009.

STAFF COMMENTS AND RECOMMENDATIONS

Board staff recommends that the Board adopt the changes to the IELA accountability targets and exit criteria for LEP students.

Board staff is concerned about the lack of accountability for districts with less than 34 LEP students if this provision (#4 above) is adopted. An alternative to addressing this concern would be the development of a n instructional accountability model that would apply to all districts. Staff will evaluate the efficiency of such a model and if deemed warranted, will bring a proposal at a future date.

BOARD ACTION

A motion to approve the recommended revisions to the Accountability Plan for the Idaho Limited English Proficiency Program.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Title III/Limited English Proficiency (LEP) ~~Program~~
Accountability Plan

Annual Measurable Achievement Objectives (AMAOs) For

~~And~~

~~Accountability Procedures~~

~~For~~

Idaho Local Education Agencies (LEAs)

~~August 2006~~ Revised February 2009

No Child Left Behind, Title III: Language Instruction for Limited English Proficient and Immigrant Students

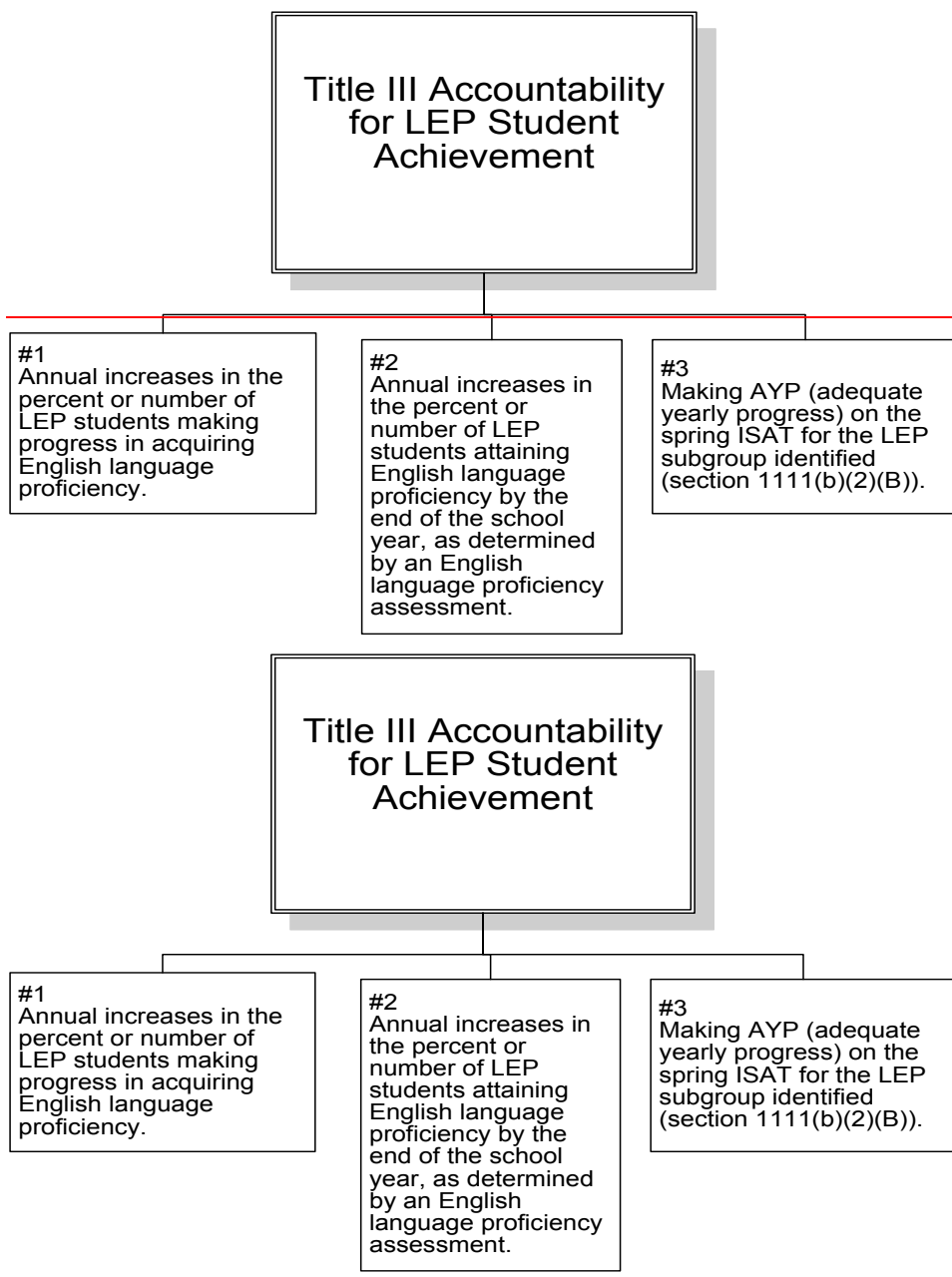
Introduction

Title III of the No Child Left Behind (NCLB) Act of 2001, establishes sanctions or consequences for Local Education Agencies (LEAs), or school districts, ~~which~~that do not meet Title III Annual Measurable Achievement Objectives (AMAOs). An AMAO is a performance objective, or target, that all LEAs must meet each year for those students in an LEP program. Part I details NCLB requirements. Part II details the state developed annual objectives/targets and definitions. Part III details the sanctions and procedures for LEAs.

Part I: NCLB Requirements

All LEAs, Title III and non Title III LEAs alike, serving Limited English Proficient (LEP) students¹ in Idaho are held accountable to demonstrating annual progress and proficiency in English language acquisition (**NCLB, Title III, section 3122(b)**). The AMAO accountability structure set forth in Title III is a 3-tiered structure. The first 2 AMAOs are determined by the Idaho English Language Assessment (IELA) and the 3rd AMAO is based on the AYP determinations.

¹ LEP students are English language learners (ELLs) who are specifically placed in a language development program, based on the home language survey (HLS) and the Idaho ELL Placement Test.



AMAO #1: Annual increases in the percent or number of LEP students making progress in acquiring English language proficiency, as determined by the IELA: English Language “Progress/Growth”.

AMAO #2: Annual increases in the percent or number of LEP students attaining English language proficiency by the end of the school year, as determined by the IELA: **English Language “Proficiency”**.

AMAO #3: LEA determination for making AYP (adequate yearly progress) on the spring ISAT for LEP students (section 1111(b)(2)(B)): **“AYP”**.

If an LEA does not meet any one of the 3 measures in any given year, then the AMAOs are not met for that year.

Accountability measures, as set forth in section 3122(b) state that:

A. If a district LEP program fails to make progress toward meeting these objectives for two (2) consecutive years, the State Board of Education will work with the district to develop an improvement plan that specifically addresses the factors that prevented the district from achieving the objectives.

B. If a district LEP program fails to meet these objectives for four (4) consecutive years, the State Board of Education will either require the district to modify the curriculum and LEP program, or will determine if funding should continue and require the district to replace educational personnel.

C. Parental Notification

In addition to providing the general parental notifications, each district that has failed to make progress on the annual measurable achievement objectives for any fiscal year, shall separately inform a parent or the parents of a child identified for participation or participating in such program of such failure within 30 days of notice of failure to reach AMAOs. All notifications sent home to parents, must be translated into the home language, to the extent practicable. In addition, a parent has the right to remove their child from an LEP program at any time, see 3302(a)(A), 3302(b).

Part II: State Defined AMAO Targets and Definitions

The State Board of Education, Idaho’s SEA, has looked at 3 years of IELA data and consulted with Idaho educators (Attachment B) to determine appropriate AMAOs for LEAs in the state. In February 2009, Idaho adopted the following definitions and will calculate AMAOs as indicated below. If a district an LEA does not meet any one measure of the three AMAO measures, then the AMAOs are LEA will be considered as not met meeting the AMAOs for that year.

"N" Count – Idaho has adopted the number of 34 in its accountability workbook, under Title I and will use this same number for Title III accountability. LEAs with less than 34 LEP students tested on the IELA will not be included in the LEP Accountability Plan. However, all LEAs with 34 or more LEP students, whether they receive Title III funds or not, will be held accountable to this LEP Accountability Plan.

Title III Consortia Funds - AMAOs will be individually calculated for each LEA that receives Title III funds within a Consortium. These LEAs will be treated as separate entities and will not be combined for accountability purposes.

1. AMAO #1 - English Language Progress/Growth ("Progress"): ~~On an annual basis, 55% (fifty-five percent) of LEP students within a cohort² will achieve progress, as measured on the IELA, within each LEA.~~

Progress is defined as advancing one level or more of language proficiency per year, as indicated by the Idaho English Language Assessment (IELA). ~~Students at the Fluent level will be considered as making progress if they are not exited and maintain their level of English proficiency.~~ The IELA details 5 levels of English proficiency (see Attachment A for English language development level descriptors) and assesses the domains of listening, speaking, reading, writing and comprehension (listening + reading) in grades K-12. The 5 English language development levels as defined for Idaho are:

- (1) Beginning
- (2) Advanced Beginning
- (3) Intermediate
- (4) Early Fluent
- (5) Fluent

~~The AMAO growth target of 55% is informed by three considerations:~~

~~First, research suggests that it is inaccurate to assume that all students will progress at the same rate³. Second, because the proficiency levels are relatively~~

~~² Idaho will determine AMAOs for 2 "cohort" groups (grouping of students) (1) an unmatched cohort, which will include every student tested each year and a (2) matched cohort which will include only those students who were tested in the prior and current years.~~

~~³ Edward De Avila, Ph.D. November, 1997~~

~~broad categories, students starting a year near the top of a category are much more likely to progress to the next level than students who begin a year near the bottom of a category. Third, according to second language development research, it is likely that progress from the Intermediate level may require more time than progress between any of the other levels, as this is the time when students are making the transition from social to academic language.~~

~~If Idaho's data consistently over time reflects this growth within proficiency levels and/or the "plateau" at the intermediate level, then Idaho anticipates adding a provision for a growth measurement within proficiency levels (scale score point growth) to the AMAO defined as "progress".~~

2. Idaho has determined that on an annually increasing basis, the following percentages of LEP students within an LEA will achieve progress, as measured on the IELA.

<u>Title III/LEP Annual Measurable Achievement Objectives (AMAOs) #1 Growth</u>										
<u>Year</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
<u>Target</u>	<u>25%</u>	<u>26.1%</u>	<u>27.2%</u>	<u>28.3%</u>	<u>29.4%</u>	<u>30.5%</u>	<u>31.6%</u>	<u>32.7%</u>	<u>33.8%</u>	<u>34.9%</u>
<u>rounded</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>35</u>
<u>Point increase</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>	<u>1.111</u>

The AMAO **growth** targets are set on a linear growth interval, which increases in equal increments each year for 10 years, from 2009-2018. This research-based model⁴ was adopted because it establishes the starting point to be at the corresponding percentage associated with the 25th percentile of LEAs, and the ending point to be at the corresponding percentage associated with the 75th percentile of LEAs. The percentiles were derived by ranking districts, from top to bottom, based on the percent of students, across all grades, who gained one or more proficiency levels from the previous year. It was determined that the rounding of the percentages at the 25th and 75th percentiles from the 2007-2008 IELA results would form the basis of the targets.

⁴Linquanti, R. & George, C. (2007). Establishing and utilizing an NCLB Title III accountability system: California's approach and findings to date. In J. Abedi (Ed.), English language proficiency assessment and accountability under NCLB Title III: A national perspective. Davis: University of California.
Cook, H. G., Boals, T., Wilmes, C., & Santos, M. (2008). Issues in the development of annual measurable achievement objectives for WIDA consortium states (WCER Working Paper No. 2008-2). Madison: University of Wisconsin–Madison, Wisconsin Center for Education Research.

Through application of this method and the decision points from the group of Idaho educators, AMAO 1 will begin for the 2008-2009 school year with a target of 25% of students within an LEA increasing one level of proficiency on the IELA. AMAO 1 will end at the 2017-2018 school year with a target of 35% of students within an LEA increasing one level of proficiency on the IELA. The growth interval with these targets is a 1.111 point increase per year. Only students who have tested for 2 years (e.g. students who have 2 data points) will be included in AMAO 1.

2. AMAO #2 - English Language Proficiency (“Proficiency”): On an annual basis, 20% of LEP students within an LEA will achieve “proficiency” on the IELA (as defined below) in order to begin transition out of a language development program.

A student is defined as “proficient” in English on the IELA, if ~~both the following are met:~~

~~– the a~~ student tests at the **overall Fluent level on the IELA; and**
~~– the student tests at an~~ early fluent and above (EF+) level within each sub-domain (listening, speaking, reading, writing and comprehension) assessed on the IELA. An EF+ on each sub-domain could result in a student receiving a total score of either a 4 (Early Fluent) or a 5 (Fluent) on the overall IELA score.

~~LEP students will be considered for a transition/exit out of LEP services once they reach this definition of~~ Idaho has determined that on an annually increasing basis, the following percentages of LEP students within an LEA will achieve “proficiency”, as measured on the IELA.

Title III/LEP Annual Measurable Achievement Objectives (AMAOs) #2 Proficiency										
Year	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Target	<u>13%</u>	<u>13.7%</u>	<u>14.5%</u>	<u>15.3%</u>	<u>16.1%</u>	<u>16.8%</u>	<u>17.6%</u>	<u>18.4%</u>	<u>19.2%</u>	<u>19.9%</u>
rounded	<u>13</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>18</u>	<u>19</u>	<u>20</u>
Point increase	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>	<u>0.777</u>

The AMAO **proficiency**, targets are also set on a linear growth interval, which increases each year for 10 years, from 2009-2018. Again, this research-based model was adopted because it establishes the starting point to be at the corresponding percentage associated with the 25th percentile of LEAs, and the ending point to be at the corresponding percentage associated with the 75th percentile of LEAs. The percentiles were derived by ranking districts, from top to bottom, based on the percent of students, across all grades, who achieved

proficiency on the IELA. It was determined that the rounding of the percentages at the 25th and 75th percentiles from the 2007-2008 IELA results would form the basis of the targets.

Through application of this method and the decision points from the group of Idaho educators, AMAO 2 will begin for the 2008-2009 school year with a target of 13% of students within an LEA reaching proficiency on the IELA. AMAO 2 will end at the 2017-2018 school year with a target of 20% of students within an LEA reaching proficiency on the IELA. The growth interval with these targets is a .777 point increase per year. All students tested within a district will be included in AMAO 2.

LEP Students Exiting from a Language Development Program

When a student scores “proficient” on the IELA they will be eligible to begin transition out of a language development program, however scoring proficient alone is not sufficient for exiting out of the program. The ~~recommended exiting~~ criteria for LEAs in Idaho ~~details that to exit LEP students should from a language development program is as follows:~~

1. Score at the Early Fluent level ~~overall and at a certain level or above(EF+)~~ on each sub-domain tested on the IELA; (listening, speaking, reading, writing and comprehension);

AND one of the following:

2. Receive an Idaho Reading Indicator (IRI) score of ~~at least~~ a 23 in grades K-3, or an Idaho Standards Achievement Tests (ISATs) score that meets the “Basic” level in grades 3-8 and 10;

OR

3. Demonstrate access to mainstream content curriculum in one of the following ways:

- Elementary: C onsistent pr oficient sc ores on g rade l evel b e nchmark unit assessments; or
- Secondary: Core content area GPA (non-modified) of 2.0; or
- Qualified teacher observations that are based on language proficiency benchmarks and criteria, with supporting portfolio of student classroom work.

A student should not necessarily be kept in an LEP program if they are deemed “proficient” on the IELA, but are not yet at the “proficient” level on the ISAT.

These are two different measures of achievement and have two different definitions.

~~Taking into consideration the State recommended exit criteria, LEAs will be required to detail their district exit criteria on their annual LEP Plans which are approved by the local school boards and submitted to the LEP Program manager June 30th of each year. The LEA exit plan for LEP students must meet state and federal guidelines.~~

3. AYP: AYP will be determined by annual spring ISAT data, as provided by the State Department of Education (SDE) for the LEP subgroup at the LEA level, where the LEA failed to make AYP in any target area because of the LEP subgroup.

Part III: LEA sanctions and procedures

The accountability measures for each LEA are determined by the results of the annual spring IELA and ISAT assessments of LEP students. Sanctions are determined by consecutive years of not meeting the AMAOs set forth above (1. progress, 2. proficiency, and 3. AYP).

Any type of improvement plan or restructuring should be seen as an opportunity for an LEA to thoroughly evaluate their programs and assess what steps need to be taken or changes that need to be made so that the LEA is able to better serve the LEP population.

Accountability and sanctions are applicable to all districts with LEP students, whether Title III funding is received or not, unless otherwise indicated below. Title III funding is the federal allocation for language acquisition, emergency immigrant, and consortia funding.

Appeals process

AMAOs will be calculated according to LEP student growth on the IELA and AYP. The appeals process for AYP takes place through the Department of Education. If an LEA believes that there has been an error in the calculation of AMAOs, then the LEA may contact the State LEP Program, however there will be no formal appeals process. Student scores may not be contested. Testing discrepancies (i.e. a student has taken 2 different grade level tests; a student has taken only a portion of the test) will be taken into consideration by the testing vendor when tests are scored and student reports are generated. The testing vendor may or may not contact the LEA directly to resolve the discrepancy.

AMAO Sanctions					
School Year	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Improvement Year	Baseline Data from spring 2006	LEP Improvement 1	LEP Improvement 2	LEP Improvement 3	LEP Improvement 4
LEA Responsibility		Alert Status	1. Develop/augment Improvement Plan specific to LEP 2. Implement Improvement Plan	1. Continue School Improvement Plan 2. Review Plan and outcomes for adequacy	Corrective Action Plan * Title III LEAs could lose funding
		Parental Notification	Parental Notification	Parental Notification	Parental Notification
SEA Responsibility		Technical Assistance	Technical Assistance	Technical Assistance	Technical Assistance

A. If a district LEP program fails to make progress toward meeting these objectives for two (2) consecutive years, the State LEP Program will work with the district to develop an improvement plan that specifically addresses the factors that prevented the district from achieving the objectives.

~~Many of the LEAs have already begun to develop school improvement plans due to LEP student achievement in Math and Reading (AYP). The State LEP Program will work with LEAs to significantly augment these school improvement plans, focusing on LEP student growth, rather than require development of new, independent plans.~~

Baseline: The spring 2006 IELA assessment will give Idaho the baseline data to begin looking at LEP student growth.

LEP Improvement YEAR 1: Data from the spring 2007 IELA will provide information regarding what LEAs will be in LEP Improvement Year 1.

- Once notified, LEAs will be on alert status for this year.

- LEAs must send parental notification home to parents of LEP students indicating that the LEA did not meet AMAOs.

LEP Improvement YEAR 2: Data from spring 2008 will provide information regarding what LEAs will be in LEP Improvement Year 2.

- LEAs must ~~either (1) significantly augment their AYP LEA improvement plan, or (2) formulate a new LEA improvement plan, both~~ submit an LEP Program Improvement Plan, which is based on the same SDE school/LEA improvement plan model-Idaho LEP Program Enhancement Grant Application.
- The State LEP program will ~~provide technical assistance first to the LEAs that have not previously developed an improvement plan, and then to those LEAs that already have an improvement plan on file~~ review all LEP Program Improvement Plans and give feedback to each district.
- The LEAs will have until December 31 of each year that the LEA is in needs improvement to complete their improvement plan. The LEAs will have until May 31 of each year to demonstrate in writing the implementation of the plan within the LEA.
- Those LEAs that meet AMAOs in Year 2 will not be required to submit improvement plans.
- LEAs must send parental notification home to parents of LEP students indicating that the LEA did not meet AMAOs and must detail the process that the LEA is going through to remedy the situation.

LEP Improvement YEAR 3: Data from spring 2009 will provide information regarding what LEAs will be in LEP Improvement Year 3.

- The LEAs that are in LEP Improvement Year 3 must continue to implement their LEA improvement plan. The LEA must review the plan for outcomes and adequacy by December 31. The LEAs will have until May 31 to demonstrate in writing the changes made to the implementation of the school improvement plan within the LEA.
- Those LEAs that did not meet AMAOs in Year 2 but did meet AMAOs in Year 3 will continue to be required to submit documentation of implementation of their improvement plans by May 31 of that year.

- The State LEP program will continue to provide technical assistance first to the LEAs that have not previously developed an improvement plan, and then to those LEAs that already have an improvement plan on file.
- LEAs must send parental notification home to parents of LEP students indicating that the LEA did not meet AMAOs detailing the process that the LEA is going through to remedy the situation.

B. If a district LEP program fails to meet these objectives for four (4) consecutive years, the State LEP Program will either require the district to modify the curriculum and LEP program, or will determine if funding should continue and/or require the district to replace educational personnel.

LEP Improvement YEAR 4: Data from spring 2010 will provide information regarding what LEAs will be in LEP Improvement Year 4.

Title III LEAs

- ⇒ LEAs that receive Title III funds must submit a new corrective action plan that details how the LEP program and curriculum will be significantly modified. Input from staff, parents and community members is required. Further guidance from the State LEP program will detail what the corrective action plan must include.
- ⇒ LEAs must submit their corrective action plan by May 31 and written documentation of implementation of the corrective action by December 31 of the following school year.
- ⇒ The State LEP program will make the determination whether Title III funding will be continued and/or require that staff be terminated.

Non Title III LEAs

- ⇒ LEAs that do not receive Title III funds must also submit a corrective action plan that details how the LEP program and curriculum will be significantly modified. Input from staff, parents and community members is required. Further guidance from the State LEP program will detail what the corrective action plan must include.
- ⇒ LEAs must submit their corrective action plan by May 31 and written documentation of implementation of the corrective action by December 31 of the following school year.

- Those LEAs that did not meet AMAOs in Year 3 but did meet AMAOs In Year 4 will continue to be required to submit documentation of implementation of their improvement plans by May 31 of that year.
- The State LEP program will continue to provide technical assistance to all LEAs in LEP Improvement Year 4.
- LEAs must send parental notification home to parents of LEP students indicating that the LEA did not meet AMAOs detailing the process that the LEA is going through to remedy the situation.

LEP Improvement Year 4+

If a district continues to miss the AMAO targets after 4 consecutive years, the district must continue to implement its corrective action plan and provide documentation of implementation by December 31 and May 31. In addition, the State LEP Program will continue to work with the district to determine the best course of action.

C. Parental Notification

In addition to providing the general parental notifications, each district that has failed to make progress on the annual measurable achievement objectives for any fiscal year, shall separately inform a parent or the parents of a child identified for participation or participating in such program of such failure within 30 days. All notifications sent home to parents, must be translated into the home language, to the extent practicable. In addition, a parent has the right to remove their child from an LEP program at any time, see 3302(a)(A), 3302(b).

Attachment A: Idaho English Language Development Level Descriptors

Level 1 - Beginning

Students performing at mastery of this level of English language proficiency begin to demonstrate basic communication skills. They can understand brief, very simple speech on familiar topics, with visual support. They can respond to simple social talk and academic instruction by using gestures or a few words or phrases, or very simple subject-predicate sentences. With assistance, they can read very brief text with simple sentences and familiar vocabulary, supported by graphics or pictures. They can write words, phrases and very simple sentences. They exhibit frequent errors in pronunciation, grammar, and writing conventions that often impede meaning.

Level 2 - Advanced Beginning

Students performing at mastery of this level of English language proficiency communicate with increasing ease in a greater variety of social and academic situations. They can understand brief, simple speech on mostly familiar topics, and need visual support. They can engage in basic social talk and academic instruction by using phrases or simple subject-predicate sentences. With assistance, they can read brief text with simple sentences and mostly familiar vocabulary, supported by graphics or pictures. They can write phrases and simple sentences. They exhibit frequent errors in pronunciation, grammar, and writing conventions that often impede meaning.

Level 3 - Intermediate

Students performing at mastery of this level of English language proficiency begin to expand the complexity and variety of their communication skills. They can understand speech on familiar and some unfamiliar topics, and may need some visual support. They can engage in social talk and academic instruction using increasingly detailed sentences. They can independently read simple text with mostly familiar vocabulary, and can read more complex text supported by graphics or pictures. They can write simple texts with support. They exhibit fairly frequent errors in pronunciation, grammar, and writing conventions that may impede meaning.

Level 4 - Early Fluent

Students performing at mastery of this level of English language proficiency communicate adequately in complex, cognitively demanding situations. They can understand social and academic speech at their grade level, and may need some visual support for unfamiliar topics. They can engage in social talk and academic instruction using detailed sentences and expanded vocabulary. They

can write texts near grade level. They exhibit some errors in pronunciation, grammar, and writing conventions that usually do not impede meaning.

Level 5 - Fluent

Students performing at mastery of this level of English language proficiency communicate effectively with various audiences on a wide range of topics, though they may need further enhancement and refinement of English language skills to reach the native level of their peers. They can understand a variety of social and academic speech at their grade level. They can engage in social talk and academic instruction using varied sentence structures and vocabulary appropriate to the context. They can independently read grade-level text, including technical text. They can write expanded texts appropriate to their grade level. They may exhibit a few errors in pronunciation, grammar, and writing conventions that do not impede meaning.

Beginning was chosen to reflect the skill level of English learners as they are just beginning to learn English; it refers to the mastery level after roughly six months of English language development (ELD) instruction.

Advanced Beginning was chosen for the second level because Objectives at that level generally reflect advancement of skills above the Beginning level rather than lack of skills below the Intermediate level.

Intermediate tends to be a major benchmark in ELD progress; English learners with proficiency at this level can learn in various content areas in a mainstream classroom as long as the teacher provides appropriate support.

Early Fluent and **Fluent** reflect the practice of considering English learners at these levels for redesignation as Fluent English Proficient status (based on a variety of appropriate measures).

Attachment B:
List of Idaho Educators for 2009 Accountability Plan Revision

<u>Angela</u>	<u>Armstrong</u>	<u>Boundary #101</u>	<u>Principal - LEP/Migrant Director</u>
<u>Ellen</u>	<u>Batt</u>	<u>College of Idaho</u>	<u>Professor of Education and Modern Foreign Languages</u>
<u>Cindy</u>	<u>Bechinski</u>	<u>Moscow #281</u>	<u>Curriculum Director</u>
<u>Fernanda</u>	<u>Brendefur</u>	<u>State Department of Education</u>	<u>Title III/LEP Coordinator</u>
<u>H. Gary</u>	<u>Cook</u>	<u>University of Wisconsin</u>	<u>Consultant</u>
<u>Molly Jo</u>	<u>de Fuentealba</u>	<u>Boise #1</u>	<u>Federal Programs Consultant</u>
<u>Jesús</u>	<u>de León</u>	<u>Caldwell #132</u>	<u>Project Director - Federal Programs</u>
<u>Tristan</u>	<u>Galenski</u>	<u>Blaine #61</u>	<u>Middle School LEP Program Director</u>
<u>John</u>	<u>Graham</u>	<u>Filer #413</u>	<u>Superintendent</u>
<u>Margo</u>	<u>Healy</u>	<u>State Board of Education</u>	<u>ISAT and Accountability Director</u>
<u>Eric</u>	<u>Jensen</u>	<u>Jefferson #251</u>	<u>District LEP/Migrant Director and Elementary Principal</u>
<u>Aaron</u>	<u>Mitchell</u>	<u>Middleton #134</u>	<u>Director of Federal Programs</u>
<u>Diane</u>	<u>Olivia</u>	<u>Meridian #2</u>	<u>Title III/LEP Coordinator</u>
<u>Wayne</u>	<u>Rush</u>	<u>Glenns Ferry #</u>	<u>Superintendent</u>
<u>Sheri</u>	<u>Schmidt</u>	<u>Shelly #60</u>	<u>Federal Programs Director</u>
<u>Jim</u>	<u>Shank</u>	<u>Idaho Falls #91</u>	<u>Director of Federal Programs and Assessments</u>
<u>Galen</u>	<u>Shaver</u>	<u>McCall-Donnelly</u>	<u>Special Programs Director</u>
<u>D.</u>	<u>Simmons</u>	<u>Madison #321</u>	<u>Federal Programs Director</u>
<u>Doris</u>	<u>Sommer</u>	<u>Twin Falls #411</u>	<u>ESL Coordinator</u>
<u>Wendy</u>	<u>St. Michell</u>	<u>State Board of Education</u>	<u>IELA Manager</u>
<u>Elaine</u>	<u>Tobias</u>	<u>Pocatello #25</u>	<u>Title I Director</u>
<u>Neil</u>	<u>Williams</u>	<u>Fremont #215</u>	<u>Principal - LEP Director</u>

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

SUBJECT

Dual Credit Activity within Idaho's Postsecondary Institutions

REFERENCE

January 26, 2009

The Board was presented with a summary of dual credit activity within Idaho's colleges and universities. Board staff was directed to collect missing data and provide a full report to the Board at their next meeting.

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-203 (8), Idaho Code.

Idaho State Board of Education Governing Policies and Procedures III.Y. Advanced Opportunities

Idaho Administrative Code, IDAPA 08.02.03.008.16; 08.02.03.106

BACKGROUND/DISCUSSION

Per Board Policy Section III.Y.(2), Advanced Opportunities, "The State Board of Education has made a commitment to improve the educational opportunities to Idaho citizens by creating a seamless system. To this end, the Board has instructed its postsecondary institutions to provide educational programs and training to their respective service regions, support and enhance regional and statewide economic development, and to collaborate with the public elementary and secondary schools."

At the January 26, 2009 meeting, the Board was presented with a handout that illustrated dual credit enrollment by student headcount and credit hours. At that time there were some discrepancies and missing data. Institutions were asked to provide the following information:

- Number of high school students enrolled in dual credit courses at the high schools in school years 2006-2007, 2007-2008, and Fall 2008
- Number of high school students enrolled in classes taught directly through the college/university
- Number of Dual credit classes taught via distance delivery

In addition, the institutions provided a listing of the course subjects offered at each of their partnering high schools.

ATTACHMENTS

Attachment 1 – Student Headcount & Credit Hours
Attachment 2 – Dual Credit Course Subjects Summary

Page 3
Page 5

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
FEBRUARY 26-27, 2009

STAFF COMMENTS AND RECOMMENDATIONS

The continued increase in student headcount and total credit hours demonstrates each institutions' commitment to dual credit opportunities for Idaho students. It is important to note that the fluctuation in available course subjects from year to year is often dependent upon the high school teacher's qualifications. Finding and maintaining teachers who meet the postsecondary academic qualifications is by far the biggest barrier in growing dual credit programs. Teachers are required to have a Masters degree in content area to provide instruction at the college level. K-12 teachers need to be incentivized to earn a Masters in their content area in order to teach dual credit courses.

BOARD ACTION

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

IDAHO DUAL CREDIT ENROLLMENT HISTORY

Student Headcount

INSTITUTION	Fall 2006	Spring 2007	Fall 2007	Spring 2008	Fall 2008
Boise State University					
Dual Credit Classes Taught at the High School	701	174	977	220	1,125
High School Students Enrolled in Classes Taught Directly through the College	34	30	56	23	22
Dual Credit Classes Taught Via Distance Delivery	12	17	29	16	24
Total Headcount	747	221	1,062	259	1,171
Idaho State University					
Dual Credit Classes Taught at the High School	791	460	926	672	1,138
High School Students Enrolled in Classes Taught Directly through the College	13	10	10	12	9
Dual Credit Classes Taught Via Distance Delivery	7	21	24	28	6
Total Headcount	811	491	960	712	1,153
University of Idaho					
Dual Credit Classes Taught at the High School	30	8	29	10	177
High School Students Enrolled in Classes Taught Directly through the College	30	36	26	34	79
Dual Credit Classes Taught Via Distance Delivery	46	68	106	104	154
Total Headcount	106	112	161	148	410
Lewis-Clark State College					
Dual Credit Classes Taught at the High School	90	144	126	180	184
High School Students Enrolled in Classes Taught Directly through the College	12	5	5	8	6
Dual Credit Classes Taught Via Distance Delivery	0	1	0	1	2
Total Headcount	102	150	131	189	192
College of Southern Idaho					
Dual Credit Classes Taught at the High School	896	1,029	1,073	521	1,197
High School Students Enrolled in Classes Taught Directly through the College	103	128	85	57	98
Dual Credit Classes Taught Via Distance Delivery	29	21	58	22	47
Total Headcount	1,028	1,178	1,216	600	1,342
North Idaho College					
Dual Credit Classes Taught at the High School	104	86	106	80	118
High School Students Enrolled in Classes Taught Directly through the College	210	208	305	314	369
Dual Credit Classes Taught Via Distance Delivery	76	137	115	153	143
Total Headcount	390	431	526	547	630

IDAHO DUAL CREDIT ENROLLMENT HISTORY

Credit Hours

INSTITUTION	Spring		Spring		
	Fall 2006	2007	Fall 2007	2008	
Boise State University					
Dual Credit Classes Taught at the High School	2,744	558	3,881	684	4,473
High School Students Enrolled in Classes Taught Directly through the College	151	140	214	147	131
Dual Credit Classes Taught Via Distance Delivery	36	51	87	48	72
Total Credit Hours	2,931	749	4,182	879	4,676
Idaho State University					
Dual Credit Classes Taught at the High School	3,104	1,728	4,152	2,582	5,075
High School Students Enrolled in Classes Taught Directly through the College	54	38	36	46	38
Dual Credit Classes Taught Via Distance Delivery	23	37	77	56	22
Total Credit Hours	3,181	1,803	4,265	2,684	5,135
University of Idaho					
Dual Credit Classes Taught at the High School	30	8	29	10	455
High School Students Enrolled in Classes Taught Directly through the College	71	83	68	87	203
Dual Credit Classes Taught Via Distance Delivery	110	164	221	278	321
Total Credit Hours	211	255	318	375	979
Lewis-Clark State College					
Dual Credit Classes Taught at the High School	225	603	414	812	733
High School Students Enrolled in Classes Taught Directly through the College	43	22	26	39	41
Dual Credit Classes Taught Via Distance Delivery	0	6	0	6	7
Total Credit Hours	268	631	440	857	781
College of Southern Idaho					
Dual Credit Classes Taught at the High School	3,195	5,379	7,561	2,743	5,322
High School Students Enrolled in Classes Taught Directly through the College	501	771	718	240	614
Dual Credit Classes Taught Via Distance Delivery	87	43	243	53	146
Total Credit Hours	3,783	6,193	8,522	3,036	6,082
North Idaho College					
Dual Credit Classes Taught at the High School	411	312	422	276	404
High School Students Enrolled in Classes Taught Directly through the College	1,300	1,321	2,162	2,189	2,506
Dual Credit Classes Taught Via Distance Delivery	292	498	436	566	529
Total Credit Hours	2,003	2,131	3,020	3,031	3,439

Boise State University

Name of Partnering High School	Academic Year	Number of Course Subjects
ArtsWest	2008-2009	2
Bishop Kelly	2008-2009	3
	2007-2008	3
	2006-2007	3
Boise HS	2008-2009	6
	2007-2008	7
	2006-2007	5
Borah	2008-2009	4
	2007-2008	7
	2006-2007	5
Caldwell	2008-2009	1
	2007-2008	1
	2006-2007	1
Cambridge	2007-2008	2
	2006-2007	2
Capital	2008-2009	2
	2007-2008	5
	2006-2007	5
Centennial	2008-2009	11
	2007-2008	9
	2006-2007	9
Challis	2006-2007	2
Columbia	2008-2009	7
	2007-2008	6
	2006-2007	2
Eagle	2008-2009	8
	2007-2008	6
	2006-2007	6
Emmett	2008-2009	2
	2007-2008	2
Garden Valley	2008-2009	1
	2007-2008	1
	2006-2007	1
Homedale	2008-2009	2
	2007-2008	2
	2006-2007	2
IDLA	2008-2009	2
	2007-2008	2
	2006-2007	2
Kuna	2008-2009	5
	2007-2008	4
	2006-2007	3
Meridian	2008-2009	3
	2007-2008	2
	2006-2007	2

Boise State University

Meridian Medical Arts Charter HS	2008-2009	4
	2007-2008	2
	2006-2007	2
Mountain Home	2008-2009	7
	2007-2008	6
	2006-2007	2
Mountain View	2008-2009	3
	2007-2008	3
	2006-2007	1
Meridian Technical Charter HS	2008-2009	1
	2007-2008	1
	2006-2007	1
Nampa	2008-2009	2
	2007-2008	1
	2006-2007	1
Nampa Christian	2008-2009	1
New Plymouth	2008-2009	1
Ontario	2008-2009	3
	2007-2008	3
	2006-2007	3
Payette	2008-2009	2
	2007-2008	2
	2006-2007	2
Rocky Mountain	2008-2009	3
Skyview	2008-2009	5
	2007-2008	6
	2006-2007	5
Timberline	2008-2009	4
	2007-2008	3
	2006-2007	3
Vallivue	2008-2009	1
	2007-2008	1
	2006-2007	1
Weiser	2008-2009	1
Wilder	2008-2009	1

Idaho State University

Name of Partnering High School	Academic Year	Number of Course Subjects
Aberdeen HS	2008-2009	1
	2007-2008	1
	2006-2007	1
American Falls HS	2008-2009	7
	2007-2008	7
	2006-2007	2
	2008-2009	4
Blackfoot HS	2008-2009	7
Bonneville HS	2008-2009	1
	2007-2008	1
Butte County HS	2008-2009	2
	2007-2008	1
Century HS	2008-2009	11
	2007-2008	9
	2006-2007	9
Challis HS	2008-2009	2
	2007-2008	2
Emmett HS	2008-2009	1
	2007-2008	1
	2006-2007	2
Grace HS	2008-2009	2
	2007-2008	2
Highland HS	2008-2009	13
	2007-2008	13
	2006-2007	12
Hillcrest HS	2008-2009	6
	2007-2008	6
	2006-2007	8
Idaho Falls HS	2008-2009	2
Madison HS	2008-2009	3
Malad HS	2008-2009	8
	2007-2008	7
Marsh Valley HS	2008-2009	2
	2007-2008	2
Meridian Med Arts	2008-2009	8
	2007-2008	8
	2006-2007	7
North Fremont HS	2008-2009	1
North Gem HS	2008-2009	2
	2007-2008	2
	2006-2007	2
Pocatello HS	2008-2009	13
	2007-2008	11
	2006-2007	11

Idaho State University

Preston HS	2008-2009	10
	2007-2008	7
	2006-2007	5
Rigby HS	2008-2009	13
	2007-2008	10
	2006-2007	6
Shelley HS	2008-2009	4
Sho-Ban HS	2008-2009	2
	2007-2008	2
	2006-2007	2
Skyline HS	2008-2009	5
	2007-2008	3
	2006-2007	2
Snake River HS	2008-2009	5
	2007-2008	2
	2006-2007	2
Soda Springs HS	2008-2009	1
	2007-2008	3
	2006-2007	2
Teton HS	2008-2009	4
	2007-2008	4
West Jefferson HS	2008-2009	3
	2007-2008	2
	2006-2007	2
West Side HS	2008-2009	2
	2007-2008	2

University of Idaho

Name of Partnering High School	Academic Year	Number of Course Subjects
Aberdeen HS	2008-2009	1
Cambridge HS	2008-2009	2
	2007-2008	1
	2006-2007	2
Carey HS	2008-2009	2
	2007-2008	2
	2006-2007	2
Castleford HS	2008-2009	3
Centennial HS	2006-2007	1
Coeur d'Alene HS	2008-2009	1
	2006-2007	1
Columbia HS	2008-2009	1
Council HS	2008-2009	1
	2006-2007	1
Culdesac HS	2008-2009	1
Deary HS	2007-2008	2
	2006-2007	1
Eagle HS	2007-2008	1
	2006-2007	1
Filer HS	2008-2009	1
Genesee HS	2008-2009	1
	2007-2008	1
	2006-2007	1
Gooding HS	2008-2009	2
Highland HS	2008-2009	
Joseph, OR HS	2008-2009	2
	2007-2008	1
	2006-2007	1
Kendrick HS	2008-2009	1
	2007-2008	1
	2006-2007	1
Lapwai HS	2008-2009	3
	2007-2008	1
Malad HS	2008-2009	2
McCall HS	2008-2009	6
Meadows Valley HS	2008-2009	2
Meridian HS	2007-2008	1
	2006-2007	1
Moscow HS	2008-2009	7
	2007-2008	1
Murtaugh HS	2007-2008	1
Nez Perce HS	2008-2009	4
North Gem HS	2008-2009	2
Oakley HS	2008-2009	2

University of Idaho

Paradise Creek Regional HS	2008-2009	1
	2007-2008	2
Parma HS	2008-2009	1
Potlatch HS	2008-2009	2
	2006-2007	1
Prairie HS	2008-2009	1
Salmon River HS	2007-2008	2
Shoshone HS	2008-2009	1
Teton HS	2008-2009	2
	2007-2008	2
Timberline HS	2008-2009	1
	2007-2008	2
	2006-2007	2
Treasure Valley	2008-2009	1
Troy HS	2008-2009	4
	2007-2008	2
	2006-2007	3
West Jefferson HS	2008-2009	1

Lewis-Clark State College

Name of Partnering High School	Academic Year	Number of Course Subjects
Clarkston HS	2008-2009	6
	2007-2008	1
Kamiah HS	2007-2008	1
	2006-2007	1
Lapwai HS	2008-2009	2
	2007-2008	2
	2006-2007	3
Lewiston HS	2008-2009	7
	2007-2008	6
	2006-2007	5
Orofino HS	2008-2009	2
	2007-2008	1
Pomeroy HS	2008-2009	4
	2007-2008	4
Prairie HS	2008-2009	7
	2007-2008	2
Riggins HS	2007-2008	1
	2006-2007	1
Summitt Academy	2006-2007	1
Troy HS	2008-2009	1
	2007-2008	1
	2006-2007	1

College of Southern Idaho

Name of Partnering High School	Academic Year	Number of Course Subjects
Bear Lake HS	2008-09	1
Boise HS	2008-09	1
	2007-08	1
Borah HS	2007-08	1
Buhl HS	2008-09	3
	2007-08	4
	2006-07	5
Burley HS	2008-09	20
	2007-08	22
	2006-07	18
Camas County HS	2008-09	1
	2007-08	1
Capitol HS	2008-09	1
Carey HS	2008-09	1
	2007-08	3
Cassia Regional Technical Center	2008-09	5
	2007-08	5
	2006-07	5
Castleford HS	2007-08	2
	2006-07	4
Centennial HS - Boise	2007-08	2
Columbia HS	2008-09	4
	2007-08	5
	2006-07	4
Declo HS	2008-09	4
	2007-08	10
	2006-07	8
Filer HS	2008-09	5
	2007-08	7
	2006-07	12
Gooding HS	2008-09	7
	2007-08	4
	2006-07	4
Hagerman HS	2007-08	3
Hansen HS	2006-07	1
Idaho Digital Learning Academy	2008-09	14
Jerome Center	2008-09	1
	2006-07	1
Jerome HS	2008-09	5
	2007-08	8
	2006-07	9
Kimberly HS	2008-09	6
	2007-08	13
	2006-07	14
Madison HS	2007-08	2

College of Southern Idaho

McCall-Donnelly HS	2008-09	1
	2007-08	4
	2006-07	2
Meridian Academy	2007-08	2
Meridian HS	2007-08	1
	2006-07	1
Minico HS	2008-09	17
	2007-08	28
	2006-07	28
Mountain Home HS	2007-08	2
	2006-07	2
Murtaugh HS	2008-09	1
	2007-08	2
Nampa HS	2008-09	3
	2007-08	2
	2006-07	2
Northside Center	2006-07	1
Oakley HS	2007-08	1
	2006-07	1
Potlatch HS	2008-09	1
Raft River HS	2007-08	1
	2006-07	2
Rockland HS	2008-09	1
	2007-08	1
Skyview HS	2008-09	6
	2007-08	8
	2006-07	8
Timberline HS	2008-09	1
	2007-08	1
Twin Falls HS	2008-09	28
	2007-08	39
	2006-07	29
Vallivu HS	2008-09	2
Weiser - TBA	2007-08	2
Wendell HS	2008-09	3
	2007-08	9
	2006-07	8
Wood River HS	2008-09	9
	2007-08	13
	2006-07	9

North Idaho College

Name of Partnering High School	Academic Year	Number of Course Subjects
Coeur d'Alene High School	2008-09	1
Kellogg High School	2008-09	4
	2007-08	6
	2006-07	9
Kootenai Junior Senior High Sc	2008-09	2
Lakeland High School	2008-09	4
	2007-08	2
	2006-07	3
Lakeside High School	2008-09	4
	2007-08	2
St. Maries High School	2008-09	3
	2007-08	5
	2006-07	2
Timberlake High School	2008-09	5
	2007-08	5
	2006-07	5
Wallace High School	2008-09	1
	2007-08	3
	2006-07	5

**AUDIT COMMITTEE
FEBRUARY 26-27, 2009**

TAB DES	CRPTION	ACTION
1	AUDIT COMMITTEE CHARTER	Motion to approve

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**AUDIT COMMITTEE
FEBRUARY 26-27, 2009**

SUBJECT

Board approval of the Audit Committee Charter

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Bylaws, Section H.

BACKGROUND/DISCUSSION

The Audit Committee (Committee) has been working to adopt a Charter that will guide the Committee in its financial oversight responsibilities over the institutions under the Board's governance. The Committee is responsible for communication with and among the independent external auditing firm, institution management, the internal audit staff, and the Board.

IMPACT

The Charter specifies the procedures the Committee will follow for issues such as:

- Composition of the Committee
- Meetings
- Selection and oversight of the external auditor
- Oversight of the internal auditors
- Oversight of institution reporting and compliance

Immaterial changes to the Charter may be made at the discretion of the Committee; however, the Committee will request the Board approve material changes to the Charter.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

Attachment 1 – Audit Committee Charter

Page 3

BOARD ACTION

A motion to approve the Charter of the Audit Committee as presented on pages 3-13.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Idaho State Board of Education Audit Committee Charter

Purpose, Responsibility and Authority of Audit Committee

The Audit Committee (“Committee”) shall assist the State Board of Education (“Board”) in its financial oversight responsibilities over the institutions under the Board’s governance (defined in Idaho State Board of Education, Policies and Procedures, Section I. A.1.) (“Institutions”). The Committee is a permanent standing advisory committee of the Board. The Committee will advise and assist the Board and other standing committees on matters relating to financial reporting and financial controls and procedures. The Committee shall be responsible for communication with and among the independent external auditing firm (“auditing firm”), Institution management, the internal audit staff and the Board. The Committee will not assist in the preparation of or assess the institutions’ budgets or perform other management functions. The Committee shall make policy recommendations to the Board to improve financial oversight. Approval of adoption or changes to policies are exclusively under the responsibility of the Board.

(See Appendix A.)

Composition of the Committee

The Committee members shall be appointed by the Board and shall consist of six or more members. Three members of the Committee shall be current Board members and three members shall be non-Board members who are permanent residents of the state of Idaho. All members shall have voting rights. No employee of an institution under the governance of the Board shall serve on the Committee.

The Committee chairperson shall be appointed by the Board President. Appointments shall be for a three-year term. Terms will be staggered such that the term of two members end and two members are appointed each year. Committee members may be appointed for up to two additional terms.

Each Committee member shall be independent and have no conflicts of interest. Committee members who are not Board members shall not be compensated for their service except for reimbursable out-of-pocket expenses. All Committee members shall have an understanding of the Committee Charter and the institutions’ financial affairs. At least one member of the Committee shall have current accounting or related financial management expertise.

(See Appendix B.)

Meetings of the Committee

The Committee shall meet at least quarterly following the close of each fiscal quarter and at additional times when necessary. Meetings may be held in conjunction with meetings of the Board, or may be held more frequently as circumstances may require. The Committee chairperson shall prepare and/or approve an agenda in advance of each meeting. A majority of the members of the Committee shall constitute a quorum. The Committee shall maintain minutes or other records of meetings and activities of the Committee. Meetings shall be conducted per Robert's Rules. The Committee shall, through its chairperson, report regularly to the Board following the meetings of the Committee. The chairperson shall submit minutes of all meetings of the Committee to the Board.

The Committee, or designated members of the Committee, shall quarterly at the discretion of the Committee, meet with the management and advisors of the Institutions under the Board's governance, including, as requested by the Committee, the Institution's general counsel, external counsel, vice president of finance and administration, controller, and other finance personnel; the independent external auditor; and the internal auditors where available.

(See Appendix C.)

Selection and Oversight of an Independent External Auditing Firm

Institution management shall be responsible for the accurate preparation, presentation, and integrity of the financial statements and for establishing and maintaining appropriate accounting and financial reporting policies. The Committee shall advise the Board in the appointment and compensation of the auditing firm and shall oversee and evaluate the performance of the audit. The auditing firm will be responsible for certifying the financial statements of the institutions, and performing compliance audits, and conducting other attestation services or agreed upon procedures as requested by the Committee.

The auditing firm shall report directly to the Committee and the auditor's "engagement letter" shall be addressed to the Committee and the President of each institution.

(See Appendix D.)

Oversight of Internal Audit Function

The internal audit department at each Institution shall report functionally to the Committee with administrative reporting to the Institution president. The charter for each internal audit function shall be approved by the Committee. Internal auditors shall have sufficient access to employees, property, and records of the Institution to complete the internal audit plan approved by the Committee. The Committee shall review internal audit reports with the internal auditors and institution management. The internal audit report shall include significant findings, management's responses and all other such information as may be beneficial for the use of the Committee.

(See Appendix E.)

Oversight of Institution Reporting and Compliance

The Committee shall review with Institution management, as it deems necessary, the Institution's financial policies and procedures and the results of any review of these areas by the internal auditor or the auditing firm. The Committee shall inquire of Institution management, the auditing firm, and internal auditors about significant risks and uncertainties facing the Institutions and i) assess the steps Institution management has taken to minimize such risks and uncertainties and ii) review compliance with such steps.

The Committee shall review with the general counsel legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements and compliance with federal, state, and local laws and regulations.

The Committee shall review with Institution management and the auditing firm the auditing firm's reports on the Institution's financial statements, compliance audits and all related reports, information and auditing results. The management shall present the financial statements to the Committee and Board and provide detail and summary reports as appropriate. The auditing firm shall present to the Committee and Board its reports on the financial statements and compliance audits.

(See Appendix F.)

Other Duties and Responsibilities as Assigned by the Board

The Committee shall accept assignments from the Board in financial oversight of the Board's activities as directed by the Board from time to time. These assignments shall be allowed so long as the assignments do not conflict with the Committee's ability to maintain its independence.

**Idaho State Board of Education
Audit Committee Charter**

Appendix A

Additional Information on the Role and Responsibilities of the Audit Committee

Additional Description of Responsibilities

The Institutions' financial management, systems and reporting, including the preparation of financial statements and reports, are the responsibility of the Institutions. The Committee will work collaboratively with the Institutions, the independent external auditors and the internal auditors where available.

The Committee shall review control deficiencies and remediation plans with Institution Management and the auditing firm or internal audit group as deemed necessary by the Committee. Any unresolved deficiencies or disputes shall be brought to the attention of the Board.

The Committee is responsible for understanding among other things the following for each institution:

- The clarity and completeness of financial statements and other financial and compliance disclosures.
- Management's selection and application of significant accounting principles.
- Critical accounting policies.
- Significant or unusual transactions or events
- Significant accounting judgments and estimates.
- Communications received from the independent auditor.
- Whether the financial statements and accompanying notes are prepared and presented in accordance with generally accepted accounting principles (GAAP).
- Whether the financial statements, footnotes and related management discussion provide the reader with a clear understanding of the organizational and program risks being managed.
- The impact of management's assertions and the related controls over financial and compliance disclosure.

Policy Recommendations to the Board

The Committee shall make policy recommendations to the Board from time to time as necessary for proper financial oversight and control. The Committee shall review the adequacy and implementation of policies for:

- Code of ethics or conduct
- Conflict of interest policy
- Whistle-blower or other internal or external reporting procedure
- Records retention policy

**Idaho State Board of Education
Audit Committee Charter**

**Appendix B
Additional Information on the Composition of the Audit Committee**

Independence, Conflicts of Interest and Related Parties

Each Committee member shall be independent and free from any relationship that would interfere with the exercise of her or his independent judgment. Committee members shall not be compensated for their service on the Committee and shall not have a financial interest in or engage in related-party transactions, or any other conflict of interest with any entity doing business with the Board, or any institution under the governance of the Board. Members, or their immediate relatives, shall not hold a salaried position with any Institution under the Board's governance nor be employed by any entity that provides services for a fee to any such Institution.

The Committee may appoint a working unit or units, which may include the financial officers of the Institutions and financial officers of the Board office.

Committee Members Involvement in Financial Oversight

All Committee members shall have an understanding of the Committee and financial affairs and the ability to exercise independent judgment. Understanding of the institution's financial position will require looking at such diverse information as applications and admissions data, results of fund-raising efforts, financial-aid policies, and any revenue streams resulting from research and indirect cost recovery. Appropriate orientation for new Committee members will be provided by the Board office and institutions' financial staff under the direction of the Committee chair.

Significant Financial Expertise

At least one member of the Committee shall have current accounting or related financial management expertise in the following areas:

- An understanding of GAAP, experience in preparing, auditing, analyzing, or evaluating complex financial statements, and;
- The ability to assess the general application of such principles in the accounting for estimates, accruals, and reserves;
- An understanding of risk assessment and internal controls concepts;
- An understanding of the roles of internal and external audit; and
- An understanding of audit scope, methodology and process.

Idaho State Board of Education Audit Committee Charter

Appendix C

Additional Information on the Meetings of the Audit Committee

Areas to be Included in the Annual Meeting Schedule

The Committee meetings shall include the following areas of discussion at the recommended dates.

Area	Recommended Meeting (approximate month)
Assessment of Committee procedures and results	November
Review risk assessments of internal auditors	November
Approval of internal audit plans	November
Meeting with external auditor to approve audit plans	March
Meeting with external auditor to review results of interim testing	April
Meeting with external auditor to review the reports on financial statements and compliance audits	September

Meetings with Institutions' Management

At the meetings scheduled above, the Committee shall hold meetings with the management of each institution to discuss financial oversight and audit-related issues and other issues as deemed necessary by the Committee.

Annual Assessment

The Committee will review its procedures annually, reassess the adequacy of the procedures, and recommend any proposed changes to the Board. The Committee will consider changes that are necessary as a result of new laws, regulations, or accounting and auditing standards.

Idaho State Board of Education Audit Committee Charter

Appendix D

Additional Information on the Independent External Auditing Firm

The Committee's responsibilities regarding the auditing firm engaged to perform the audits of the financial statements of the Institutions shall also include:

- The Committee will approve any non-audit services.
- If the auditing firm provides any non-audit services, the Committee shall determine that the auditing firm has evaluated whether providing such non-audit services could impair, in any way, the auditor's independence in appearance or in fact from auditing the financial statements of the Institution. Such evaluation shall consider applicable guidance as stipulated in *Government Auditing Standards*.
- The Committee shall monitor and evaluate the independence and performance of the auditing firm on an annual basis and consider rotating the external audit to a different audit firm on an occasional basis.
- The Committee shall adopt a guideline with respect to auditing firm lead audit partner rotation.
- The Committee shall review with the Board any proposed discharge of the auditing firm.
- The Committee shall obtain updates from the auditing firm on new regulatory, accounting or auditing developments that may impact the activities of the Committee or its responsibilities.
- The Committee shall review with the auditing firm critical accounting policies and practices used by the institution, alternative treatments of financial actions within GAAP that have been discussed with the institution's management, the ramifications of each alternative, and the treatment preferred by the institution.
- The Committee shall review all significant written communications between the auditing firm and management, such as any management letter or schedule of unadjusted differences.
- The Committee shall review with the auditing firm the adequacy of the institution's internal controls including computerized information system controls.

and security and any significant findings and recommendations of the auditing firm and internal auditors together with management's responses.

- The Committee shall consider, with Institution management, whether an additional external firm should be engaged to provide audit or non-audit services the Institution or the auditing firm determine would not be appropriate for the principal auditing firm to perform.
- The Committee, or its designated representatives, who shall be members of the Committee, shall inquire of institution management, the independent auditing firm, and internal auditors about significant risks or exposures facing the institutions; assess the steps institution management has taken or proposes to take to minimize such risks to the institution; and periodically review compliance with such steps.
- The Committee, or its designated representatives, who shall be members of the Committee, shall review with the independent auditing firm and the internal auditors, where applicable, the audit plan and scope of the auditing firm and the internal auditors. The Committee or its designated representatives shall address the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

Idaho State Board of Education Audit Committee Charter

Appendix E Additional Information on the Role of Internal Audit

The Committee's responsibilities regarding the internal audit function shall also include (where applicable or where such internal audit function is established):

- A formal Charter establishing the purpose, mission, and authority of each internal audit group. The Charter shall address independence, duties, responsibilities, and professional standards. The Charter shall be reviewed annually in conjunction with review of the annual internal audit plan.
- An annual risk assessment and an internal audit plan shall be prepared by the internal auditor group. The Committee shall review the plan with the internal auditors and the Committee shall approve the plan. In the event, the Committee and management do not agree on the plan or any of its aspects, those differences will be referred to the Board for resolution.
- The Committee shall assure that the internal audit efforts are properly coordinated with the auditing firm to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- If the scope of the internal audit activity extends to the direct support and affiliated organizations of the Institution (including foundations), the Committee shall obtain approval for access to the records and employees of those affiliate organizations.
- The Committee shall review an Annual Summary Internal Audit Report issued by each internal audit group, which report shall include:
 - Significant findings on internal audits during the year and Institution management's responses.
 - Any difficulties the internal audit team encountered in the course of its audits, including any restrictions on the scope of its work or access to required information.
 - Any changes required in the scope of the internal audits.
 - The internal audit department budget and staffing.
 - The internal audit department audit procedures.
 - The internal audit department's compliance with applicable standards (for example, *Government Auditing Standards*, or the Institute of Internal Auditors' (IIA's) Standards for the Professional Practice of Internal Auditing).

**Idaho State Board of Education
Audit Committee Charter**

**Appendix F
Additional Information on the Institution Reporting and Compliance**

The Committee's responsibilities regarding institution reporting and compliance shall also include:

- To provide general guidance and support for developing risk assessment models for all institutions and discuss with the internal auditors and auditing firm the materiality of the individual components of the financial statements and the financial statements as a whole for each Institution.
- To determine the adequacy of controls documentation. If warranted, the Committee shall direct development of a multiyear process for documenting and evaluating the adequacy of internal controls and the financial reporting process.
- The Committee shall review with management and the auditing firm the effect of any regulatory and accounting initiatives.
- The Committee shall review with management and the auditing firm:
 - The institution's annual financial statements, related footnotes, and management's discussion and analysis.
 - The auditing firm's reports on the financial statements and compliance audits.
 - The auditing firm's judgments about the quality, not just the acceptability, of the institution's accounting principles as applied in its financial reporting.
 - The auditing firm's "single audit" of the federal awards administered by the institution and its reports thereon.
 - Any significant changes required in the auditing firm's audit plan due to changes in the institution, auditing standards or other circumstances.
 - Any serious difficulties or disputes with management encountered during the audit.
 - Matters required to be discussed by the AICPA Statements on Auditing Standards, the U.S. Government Accountability Office's and the U.S. Office of Management and Budget's Circular A-133 related to the conduct of the audits.

The Committee shall ensure that senior members of the institution's administration and all Board members have provided adequate, annual disclosure of outside interests and relationships that might bear, in any way, on their responsibilities to the institution or Board.

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

TAB	DESCRIPTION	ACTION
1	INTERCOLLEGIATE ATHLETICS Financial Reports	Information item
2	INTERCOLLEGIATE ATHLETICS Employee Compensation Reports	Information item
3	2008 FINANCIAL REVIEWS	Information item
4	BOISE STATE UNIVERSITY Authorization for Issuance of General Revenue Bonds	Motion to approve
5	BOISE STATE UNIVERSITY Request to Purchase Furnishings, Fixtures & Equipment (FF&E) for Norco Building: Department of Nursing, University Health Services	Motion to approve
6	IDAHO STATE UNIVERSITY Follett Higher Education Contract - Outsource Management of Bookstore	Motion to approve
7	IDAHO STATE UNIVERSITY Escrow Account for Enterprise Resource Planning (ERP)	Motion to approve
8	UNIVERSITY of IDAHO Capital Project Authorization - Tenant Improvements at Legacy Point, Idaho Water Center	Motion to approve
9	UNIVERSITY of IDAHO Transfer of Real Property - Nez Perce County	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

TAB	DESCRIPTION	ACTION
10	LEWIS-CLARK STATE COLLEGE Proposed Financing - Purchase of Clearwater Hall	Motion to approve
11	UNIVERSITY of IDAHO Research Dairy	Motion to approve
12	AMENDMENT TO BOARD POLICY Section V.T., Tuition Waivers, 1st Reading	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

SUBJECT

Intercollegiate Athletics Reports of revenues, expenditures, participation

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.T.4.

BACKGROUND/DISCUSSION

Responsibility, management, control and reporting requirements for Athletics are detailed in board policy. The four public higher education institutions are required to submit regular financial reports as specified by the Board office. The revenue and expenditures reported must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors.

Board policy establishes limits on the amount of general account and institutional funds an institution can allocate to athletics. These limits are adjusted annually at the same rate of change as the general education appropriation. Increases to the student activity fee supporting athletics are limited to the rate of increase for the total student activity fees. There is no limit on program funds. Appropriated funds above the limit can be allocated for additional women's programs, addressing gender equity issues.

The Gender Equity reports were last provided to the Board two years ago. Title IX of the Education Amendments of 1972 is the federal legislation that bans sex discrimination in schools, whether it is in academics or athletics. Title IX states: "No person in the U.S. shall, on the basis of sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal aid."

In regard to intercollegiate athletics, the US Department of Education's Office for Civil Rights (OCR) issued a **Clarification of Intercollegiate Athletics Policy Guidance: The Three-Part Test** in 1996 to analyze if an institution is in compliance:

First, financial assistance must be substantially proportionate to the ratio of male and female athletes.

Second, the selection of sports and the level of competition must accommodate the students' interests and abilities using the three factors listed below:

1. Participation opportunities for male and female students are provided in numbers substantially proportionate to their respective enrollments.
2. Where the members of one sex have been and are underrepresented among intercollegiate athletes, whether the institution can show a history and continuing practice of program expansion which is demonstrably responsive to the developing interests and abilities of that sex.

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

3. Where the members of one sex are underrepresented among intercollegiate athletes and the institution cannot show a continuing practice of program expansion, whether it can be demonstrated that the interests and abilities of the members of that sex have been fully and effectively accommodated by the present program.

Third, all other benefits, opportunities, and treatments afforded sports participants are to be equivalent, but not necessarily identical including equipment and supplies, scheduling games and practices, travel expenses, availability and compensation of coaches, quality of facilities, medical services, housing, dining, and recruitment.

Appraisal of compliance is on a program-wide basis, not on a sport-by-sport basis.

IMPACT

The Athletics Reports present the financial status of the intercollegiate athletic programs and the participation of students in the various sport programs.

The Gender Equity Reports show an original base year of 1999, the current 2005 base year, and the number of years needed to attain equity. The reports also show the breakdown by gender of full-time students, athletes, and the annual student athlete aid. Finally, the gender equity reports show the participants by sport for both men's and women's programs which show the addition or elimination of any programs.

ATTACHMENTS

Attachment 1	Chart identifying the Board limits from general education appropriated funds and from institutional funds. All institutions are within the limits.	Page 5
Attachment 2 institution	Chart identifying the revenue by major source by	Page 7
Attachment 3	Chart identifying the revenue by major source as a percent of the total athletic revenue by institution	Page 8
Attachment 4	Chart identifying athletic departments fiscal year end fund balance by institution	Page 9
Attachment 5	Chart displaying total students participating in athletic programs and the number on full ride and partial scholarships by institution	Page 10

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

BSU Tab

Intercollegiate Athletic Report
Gender Equity Report

Pages 1-5
Page 7

ISU

Tab

Intercollegiate Athletic Report
Gender Equity Report

Pages 1-5
Page 7

UI

Tab

Intercollegiate Athletic Report
Gender Equity Report

Pages 1-5
Page 7

LCSC

Tab

Intercollegiate Athletic Report
Gender Equity Report

Pages 1-5
Page 7

STAFF COMMENTS AND RECOMMENDATIONS

The Athletics Reports show actual results for fiscal years 2004 through 2008 and the forecast for fiscal year 2009. The amount of general and institutional funds allocated to athletics compared to the limits is shown below:

Institution	General Fund Limit	General Funds
BSU \$2,442,600		\$2,442,600
ISU \$2,442,600		\$2,442,600
UI \$2,442,600		\$2,102,929
LCSC \$908,100		\$908,100

Institution	Fund Limit	Institution Funds
BSU \$382,200		\$382,200
ISU \$535,000		\$440,600
UI \$764,400		\$743,900
LCSC \$152,800		\$126,500

The institutions are examining the impact the fiscal year 2010 base reduction will have on the athletics budgets. The fiscal year 2010 general fund and institution fund limits are expected to fall due to the reduced general fund appropriation even though student fees are projected to rise by \$6M. The fiscal year 2010 Athletics Limits report will be presented to the Board in June. It is anticipated that the institutions may present to the Board any adjustments to the limits beyond those calculated by the formula.

The table below shows how many years it will take each institution to attain gender equity when comparing enrollment and financial aid to the number of varsity athletes. The table also shows the primary revenue source (sport revenues, student fees, boosters, or state support) which will be relied upon to fund this progress toward attainment:

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

	<u>Athletes</u>	<u>Fin.</u>	<u>Aid</u>	<u>Revenue</u>	<u>Source</u>
Boise State University	5 years		+ 16 years		State Support
Idaho State University	+ 5 years		+ 5 years		State Support
University of Idaho	+ 4 years		+ 5 years		State Support
Lewis-Clark State College	+ 2 years		1 year		Fee Waivers

BOARD ACTION

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

State Board of Education

Intercollegiate Athletics Support Limits

Attachment 1

Board Policy (III.T.3.) on funds allocated and used by athletic program from:

General Education Funds:

"... In subsequent years, the limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans."

Institutional Funds:

"shall not exceed \$250,000 for Boise State University; \$350,000 for Idaho State University; \$500,000 for University of Idaho; and \$100,000 for Lewis-Clark State College for FY2000. In subsequent years, these limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board."

Student Fee Revenue:

"shall not exceed revenue generated from student activity fee dedicated for the athletic program. Increases to the student fee for the athletic program shall be at the same rate of increase as the total student activity fees."

Program Funds:

"the institutions can use the program funds generated, without restriction."

1 Calculation of Limits:	FY05	FY06	FY07	FY08	FY09
2 General Education Funds:					
3 General Education Allocation:					
4 General Account	223,366,200	233,182,000	243,726,400	259,296,600	276,181,100
5 Endowment	10,020,500	9,519,600	7,624,800	7,851,500	8,595,000
6 Student Fee Revenue (08 Base)	97,207,800	107,907,800	119,823,900	124,329,300	127,108,700
6b					
7 Total	330,594,500	350,609,400	371,175,100	391,477,400	411,884,800
8 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.21%
9					
10 Limits:					
11 Universities	1,960,500	2,079,200	2,201,200	2,321,600	2,442,600
12 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.21%
13 Lewis-Clark State College	728,900	773,000	818,300	863,100	908,100
14 % Growth from Prior Year	5.87%	6.05%	5.86%	5.47%	5.21%
15					
16 Institutional Funds:					
17 Limits:					
18 Boise State University	306,800	325,400	344,500	363,300	382,200
19 % Growth from Prior Year	5.87%	6.06%	5.87%	5.46%	5.20%
20 Idaho State University	429,400	455,400	482,100	508,500	535,000
21 % Growth from Prior Year	5.87%	6.05%	5.86%	5.48%	5.21%
22 University of Idaho	613,500	650,600	688,800	726,500	764,400
23 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.22%
24 Lewis-Clark State College	122,700	130,100	137,700	145,200	152,800
25 % Growth from Prior Year	5.87%	6.03%	5.84%	5.45%	5.23%

Note: In FY 2005 and 2006, additional salary increases were funded by the Legislature for eligible employees. For compliance with these statutes, the institutions expended the following amounts in addition to the established limits for General Education at lines 11 and 13, and Institutional Limits between lines 18 and 25.

Institution	FY 2005 HB 805		FY 2006 HB 395	
	General Fund Limit Increases	Institutional Funds Limit Increases	General Fund Limit Increases	Institutional Funds Limit Increases
Boise State University	\$15,418	\$27,701	\$25,531	\$37,826
Idaho State University	\$15,359	\$0	\$17,350	\$0
University of Idaho	\$13,971	\$8,087	\$18,000	\$8,000
Lewis Clark State College	\$3,634	\$0	\$3,549	\$0

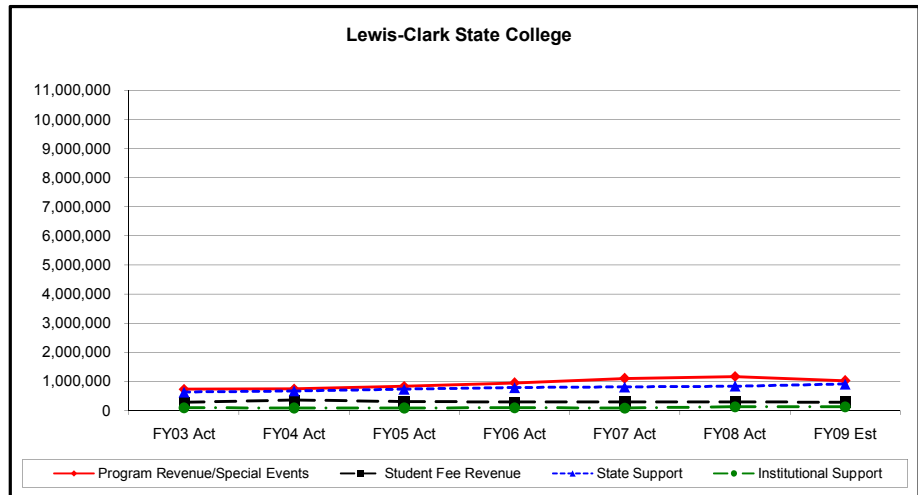
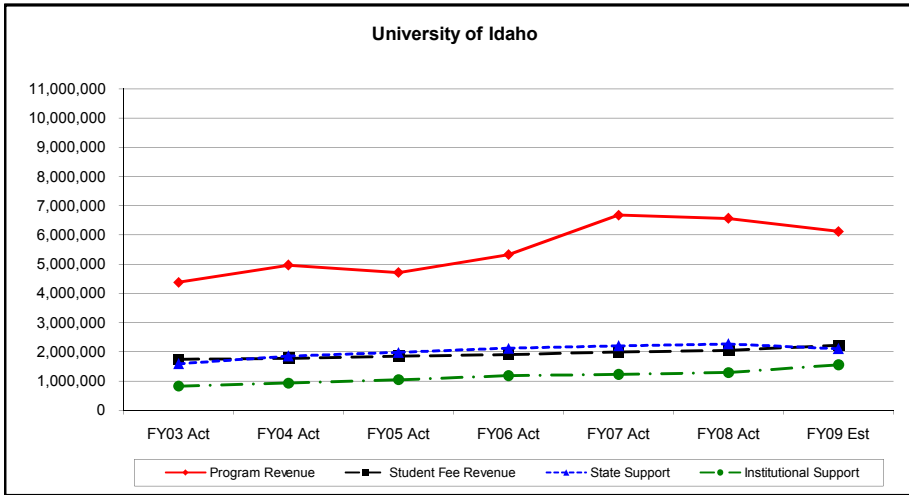
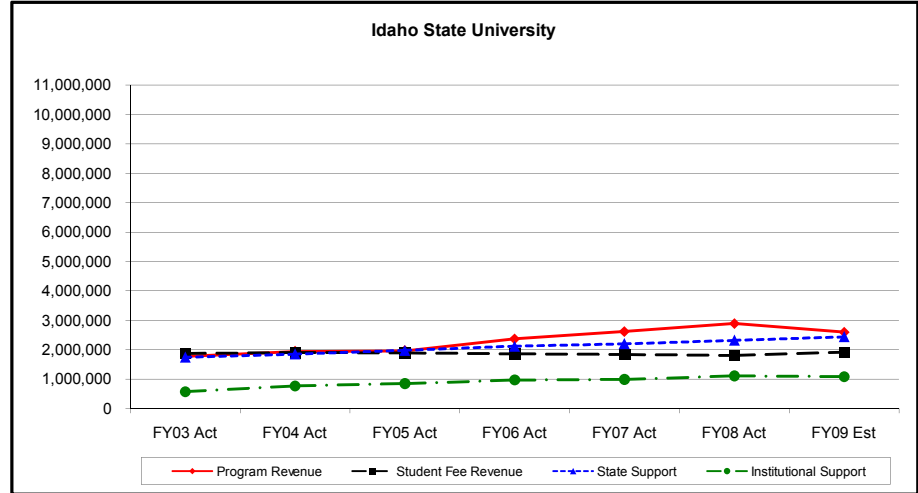
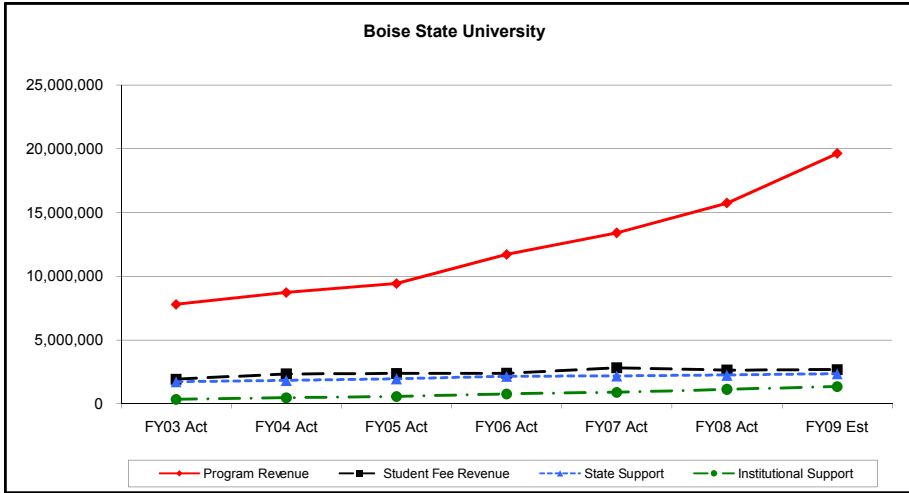
Institution	FY 2006 SB 1263	
	General Fund Limit Increases	Institutional Funds Limit Increases
Boise State University	\$11,534	\$0
Idaho State University	\$23,662	\$0
University of Idaho	\$21,600	\$13,700
Lewis Clark State College	\$7,240	\$0

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Intercollegiate Athletics Report

Revenue by Major Source

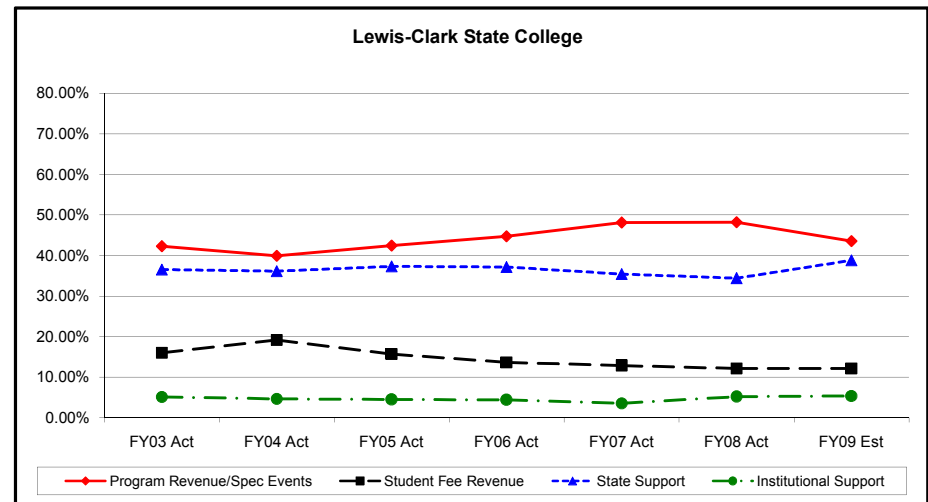
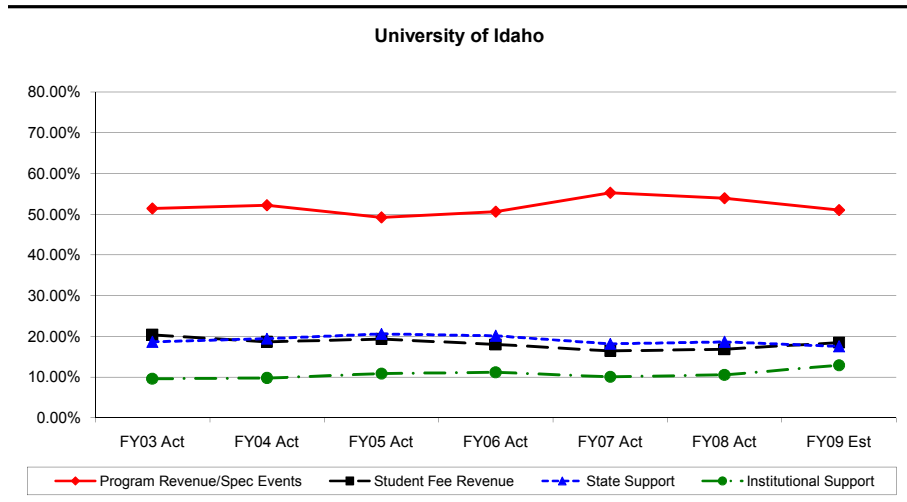
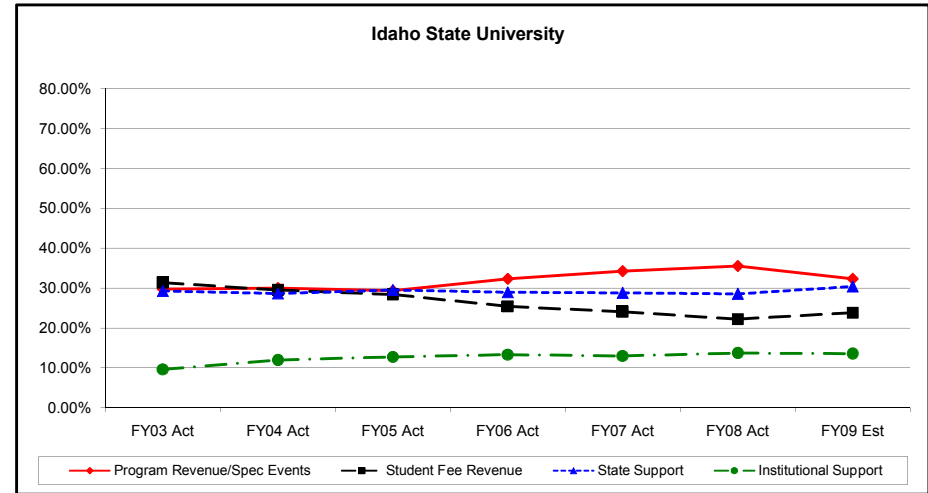
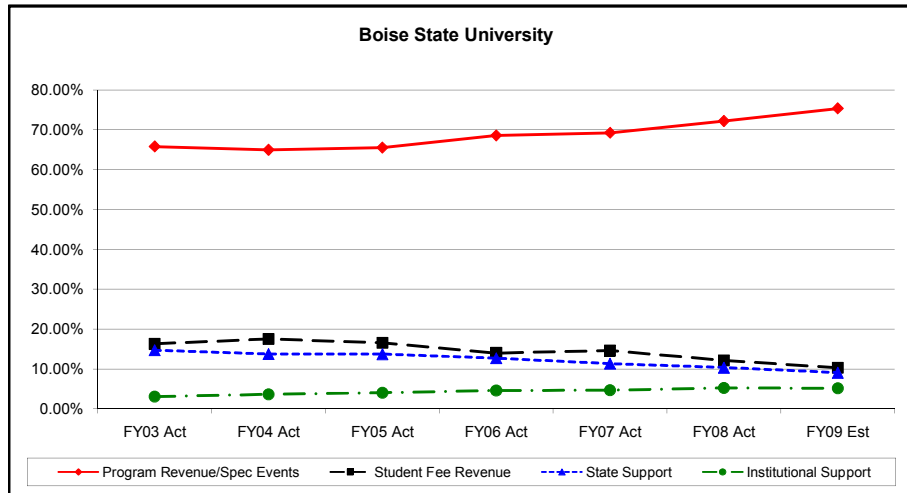
Attachment 2



Intercollegiate Athletics Report

Revenue as a Percent of Total Revenue by Major Source

Attachment 3

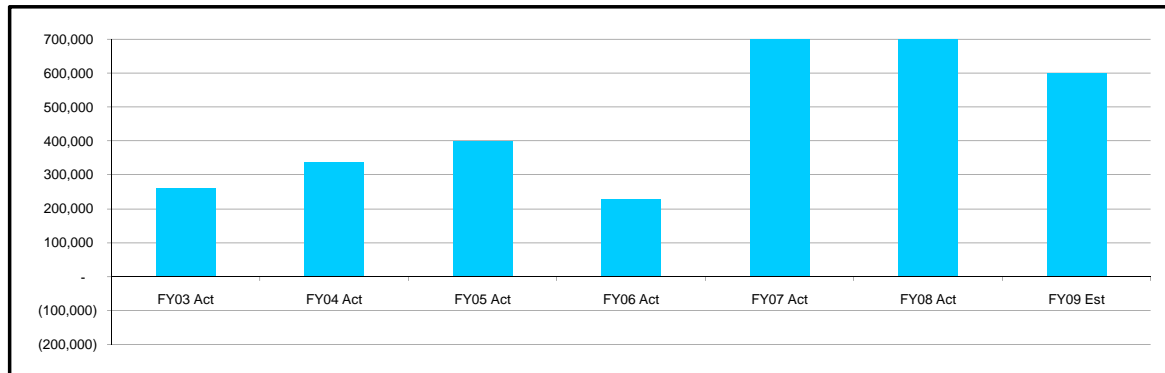


Intercollegiate Athletic Report

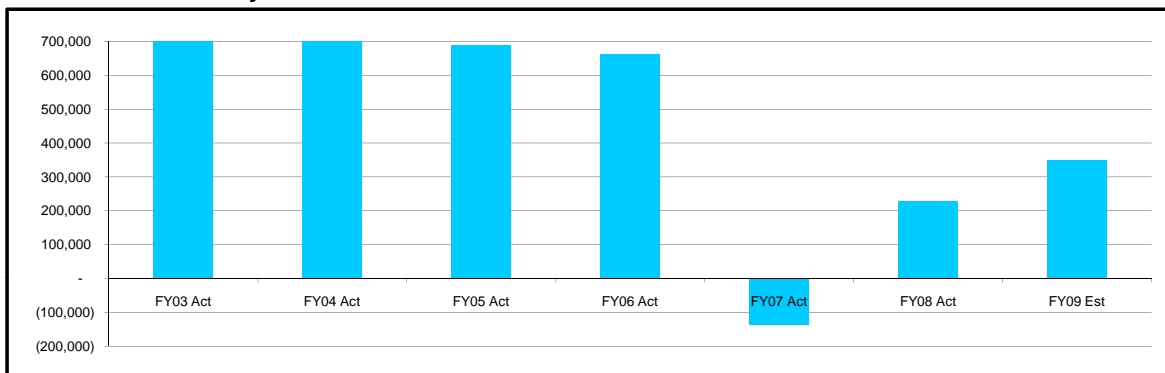
Fiscal Year Ending Fund Balance for Athletic Program by Institution

Boise State University

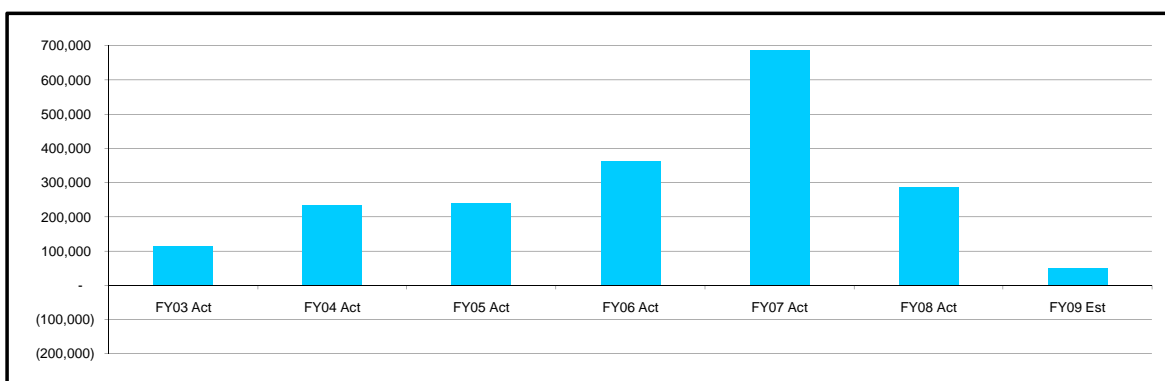
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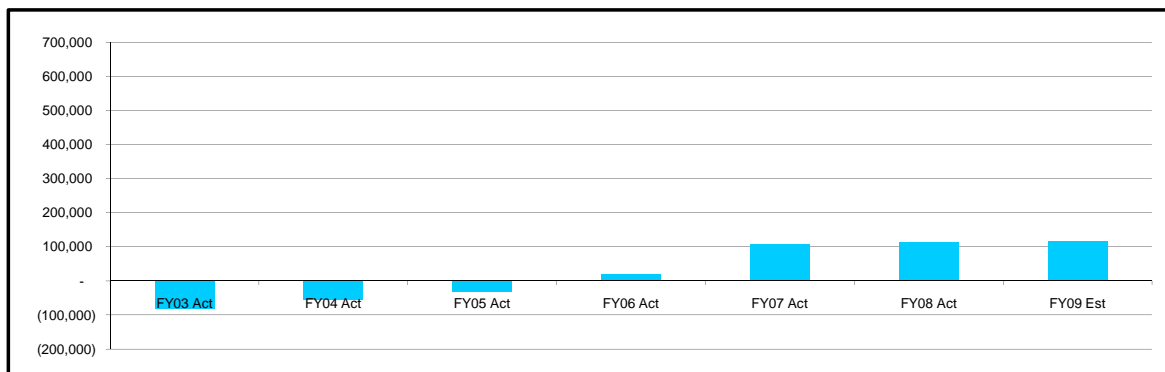
Idaho State University



University of Idaho



Lewis-Clark State College

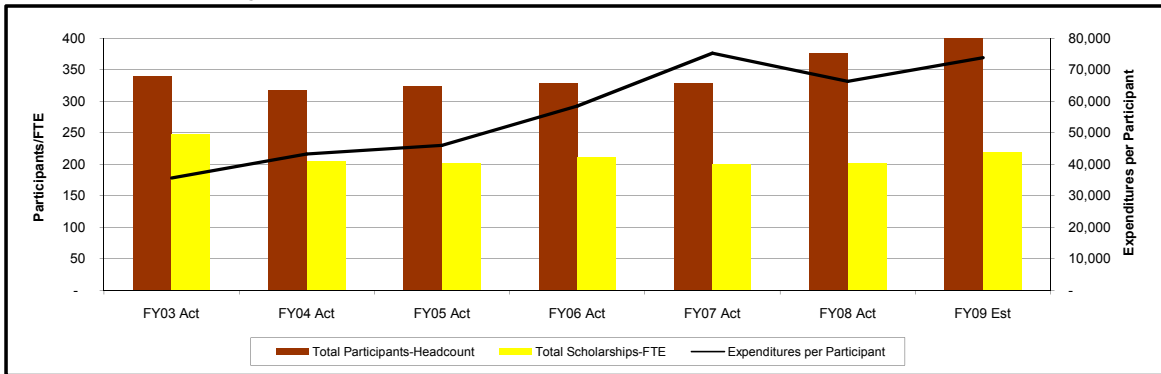


Intercollegiate Athletic Report

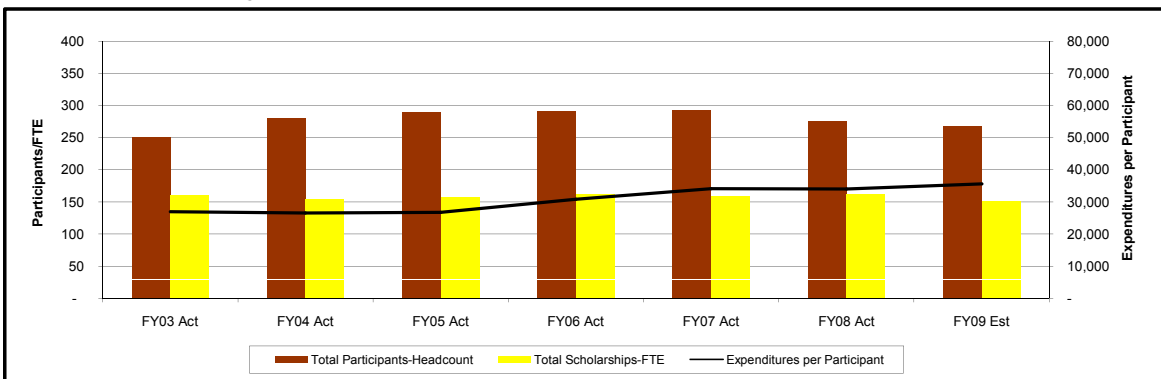
Athletic Participation and Scholarships

Boise State University

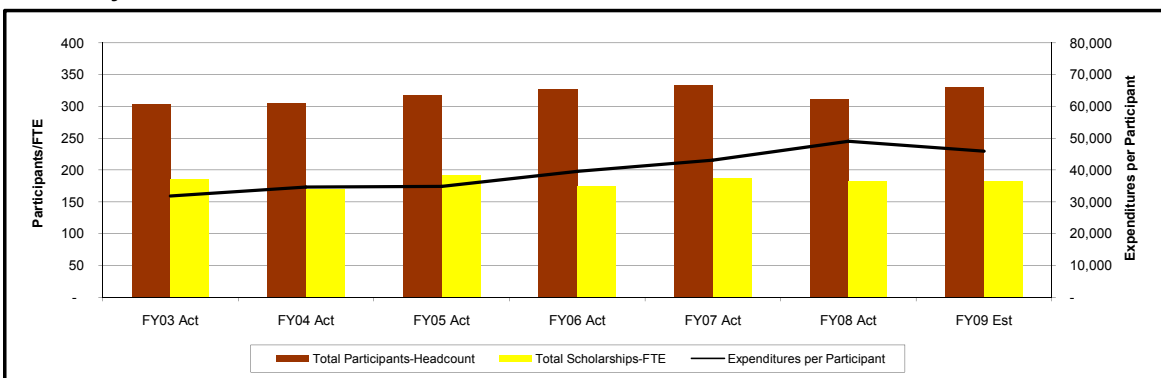
Attachment 5



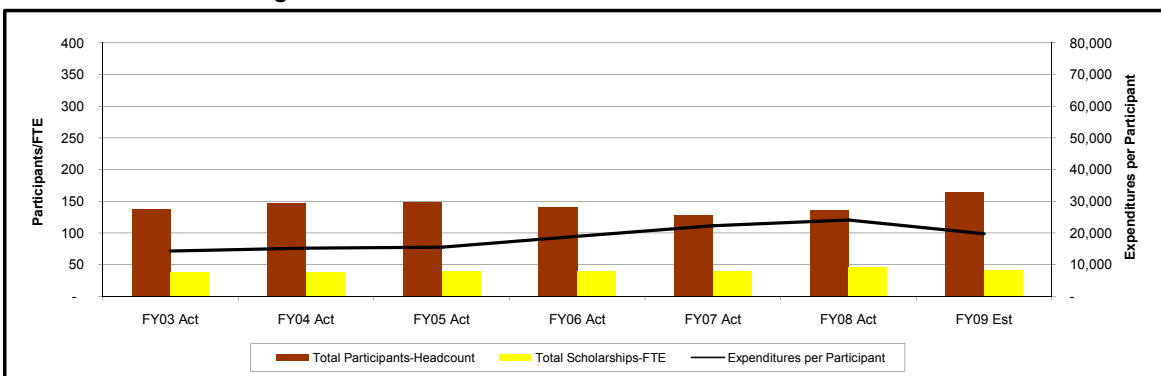
Idaho State University



University of Idaho



Lewis-Clark State College



College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Boise State University

BSU

Revenues/Expend/Fund Balance	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1 Revenue (Detail):						
2 Program Revenue:						
3 Ticket Sales	2,593,821	3,568,743	3,845,490	4,430,742	6,237,477	5,285,046
4 Game Guarantees	327,500		767,850	415,650	626,500	650,000
5 Contributions	2,715,310	1,921,897	2,771,494	3,522,400	2,884,410	8,005,314
6 NCAA/Conference/Tournaments	959,078	1,711,618	1,350,712	1,762,971	2,062,996	1,535,523
7 TV/Radio/Internet Rights	748	914	1,291	19,093	142,046	99,525
8 Program/Novelty Sales,						
9 Concessionns, Parking	1,698,619	1,643,124	555,806	619,942	650,896	812,524
10 Royalty, Advertisement, Sponsorship			1,809,906	1,850,843	2,253,195	2,524,737
11 Endowment/Investment Income			310,000	414,287	475,000	360,000
12 Other	441,916	591,234	310,644	379,790	427,736	371,952
13 Total Program Revenue	8,736,992	9,437,530	11,723,193	13,415,718	15,760,256	19,644,621
14 Non-Program Revenue:						
15 NCAA/Bowl/World Series	425,833	586,860	396,261	2,660,410	24,085	480,000
16 Student Fees	2,358,376	2,390,045	2,401,225	2,833,090	2,657,499	2,694,423
17 Direct State/Govt Support	1,851,700	1,975,918	2,173,601	2,201,200	2,256,873	2,365,023
18 Institutional Gender Equity	200,000	279,872	417,872	467,872	783,872	976,872
19 Direct Institutional Support	289,800	306,800	371,574	444,500	363,300	382,200
20 Subtotal State/Inst. Support	2,341,500	2,562,590	2,963,047	3,113,572	3,404,045	3,724,095
21 Total Non-Program Revenue	5,125,709	5,539,495	5,760,533	8,607,072	6,085,629	6,898,518
22 Subtotal Operating Revenue:	13,862,701	14,977,025	17,483,726	22,022,790	21,845,885	26,543,139
23 Non-Cash Revenue						
24 Third Party Support			184,100	184,100	198,150	205,475
25 Indirect Institutional Support				1,770,143	1,377,827	1,288,499
26 Non-Cash Revenue						
27 Non-Resident Tuition Waivers			1,414,672	1,338,121	1,710,390	1,554,490
28 Subtotal Non-Cash Revenue	0	0	1,598,772	3,292,364	3,286,367	3,048,464
29 Total Revenue:	13,862,701	14,977,025	19,082,498	25,315,154	25,132,252	29,591,603
31 Expenditures:						
32 Operating Expenditures:						
33 Athletics Student Aid	2,073,650	2,326,436	2,493,504	2,619,095	3,075,365	3,510,059
34 Guarantees	286,600	446,826	420,647	485,980	640,449	556,000
35 Coaching Salary/Benefits	2,415,834	2,616,651	4,161,675	4,574,184	5,114,878	6,480,305
36 Admin Staff Salary/Benefits	1,770,897	2,259,379	3,314,763	3,377,832	3,800,656	4,398,188
37 Fringe Benefits/Severance Payments	1,298,313	1,493,325				
38 Recruiting	277,394	303,091	308,093	349,514	359,735	346,700
39 Team Travel	1,203,302	995,236	1,451,587	1,505,170	1,571,519	1,904,289
40 Equipment, Uniforms and Supplies	2,623,531	2,314,223	1,466,317	1,085,182	1,815,709	896,361
41 Game Expenses			471,023	529,418	577,832	723,060
42 Fund Raising, Marketing, Promotion			332,110	407,156	389,334	425,737
43 Direct Facilities/Maint/Rentals	555,137	839,834	1,218,080	1,292,903	1,410,028	2,102,309
44 Debt Service on Facilities	868,116	888,294	668,508	1,373,856	1,260,904	4,067,923
45 Spirit Groups			23,077	70,057	80,843	57,294
46 Medical Expenses & Insurance	52,410	29,819	49,427	65,304	123,475	48,550
47 Memberships & Dues			450,613	478,007	487,382	512,513
48 NCAA/Special Event/Bowls	361,737	403,297	264,748	2,667,854	54,693	185,450
49 Other Operating Expenses			560,445	592,564	963,267	624,487
50 Subtotal Operating Expenditures	13,786,921	14,916,411	17,654,617	21,474,076	21,726,069	26,839,225
51 Non-Cash Expenditures						
52 3rd Party Coaches Compensation			184,100	184,100	198,150	205,475
53 3rd Party Admin Staff Compensation						
54 Indirect Facilities & Admin Support				1,770,143	1,377,827	1,288,499
55 Non-Cash Expense						
56 Non-Resident Tuition Waivers			1,414,672	1,338,121	1,710,390	1,554,490
57 Subtotal Non-Cash Expenditures	0	0	1,598,772	3,292,364	3,286,367	3,048,464
58 Total Expenditures:	13,786,921	14,916,411	19,253,389	24,766,440	25,012,436	29,887,689
59						
60 Net Income/(deficit)	75,780	60,614	(170,891)	548,714	119,816	(296,086)
61						
62 Ending Fund Balance 6/30	337,815	398,429	227,538	776,252	896,068	599,982
63						
64 Sport Camps & Clinics						
65 Revenue	418,918	411,925	245,242	757,310	445,799	400,000
66 Coach Compensation from Camp			221,871	182,917	254,355	150,000
67 Camp Expenses	325,073	447,947	172,366	256,806	341,076	250,000
68 Total Expenses	325,073	447,947	394,237	439,723	595,431	400,000
69 Net Income from Camps	93,845	(36,022)	(148,995)	317,587	(149,632)	0

**College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Boise State University**

BSU

Revenue by Program:		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1	General Revenue:						
2	Student Fees	2,358,376	2,390,045	2,401,225	2,833,090	2,657,499	2,694,423
3	Contributions	2,715,310	1,921,897	2,771,494	3,522,400	2,884,410	8,005,314
4	State Support	1,851,700	1,975,918	2,173,601	2,201,200	2,256,873	2,365,023
5	Institutional Gender Equity	200,000	279,872	417,872	467,872	783,872	976,872
6	Institutional Support	289,800	306,800	371,574	444,500	363,300	382,200
7	NCAA/Conference			1,350,712	1,762,971	2,062,996	1,535,523
8	TV/Radio/Internet			1,291	19,093	142,046	99,525
9	Concessions/program/etc.			555,806	619,942	650,896	812,524
10	Advertising/sponsorship/Royalty			1,809,906	1,850,843	2,253,195	2,524,737
11	Endowments			310,000	414,287	475,000	360,000
12	NCAA/Special Event/Bowls	425,833	586,860	396,261	2,660,410	24,085	480,000
13	Other	1,913,125	1,948,472	310,644	379,790	427,736	371,952
14	Total General Revenue	9,754,144	9,409,864	12,870,386	17,176,398	14,981,908	20,608,093
15	Revenue By Sport:						
16	Men's Programs:						
17	Football						
18	Ticket Sales	1,885,801	2,933,633	3,303,872	3,813,464	5,408,108	4,583,404
19	Game Guarantees	325,000		725,000	350,000	625,000	650,000
20	Other (Tourn/Bowl/Conf)	613,321	1,008,792				
21	Basketball						
22	Ticket Sales	681,320	609,254	518,411	558,700	742,607	656,881
23	Game Guarantees			25,000	65,000		
24	Other (Tourn/Bowl/Conf)	202,031	340,409				
25	Track & Field/Cross Country	50,301	87,141	2,085	2,002	7,110	2,323
26	Tennis	19,242	38,732	1,000	5,486	1,500	
27	Baseball						
28	Wrestling	33,609	52,865	1,175	5,911	11,646	3,871
29	Golf	19,182	34,897				
30	Volleyball						
31	Total Men's Sport Revenue	3,829,807	5,105,723	4,576,543	4,800,563	6,795,971	5,896,479
32	Women's Programs						
33	Volleyball						
34	Ticket Sales	2,541	2,729	2,115	6,005	11,384	6,968
35	Game Guarantees						
36	Other (Tourn/Bowl/Conf)	31,972	51,249				
37	Basketball						
38	Ticket Sales	13,103	13,801	15,373	28,926	21,622	18,952
39	Game Guarantees		11,000				
40	Other (Tourn/Bowl/Conf)	35,239	59,276				
41	Track & Field/Cross Country	58,392	104,371	2,325	2,002	7,110	2,323
42	Tennis	20,182	34,232				
43	Gymnastics	35,594	58,034	3,134	4,448	14,392	10,324
44	Golf	19,182	35,049				
45	Soccer	43,363	68,465	2,850	4,448	13,498	
46	Softball						
47	Skiing	19,182	34,232				
48	Swimming						
49	Total Women's Sport Rev	278,750	461,438	36,797	45,829	68,006	38,567
50	Total Revenue	13,862,701	14,977,025	17,483,726	22,022,790	21,845,885	26,543,139

**College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Boise State University**

BSU

Expenditures by Admin/Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
51	Administrative and General						
52	Athletic Director Office	903,375	981,235	1,093,827	1,078,224	1,137,606	1,289,593
53	Fund Raising Office	1,145,545	1,190,981	590,146	561,839	681,382	702,591
54	Academic Support			612,474	572,738	782,313	850,538
55	Media Relations	280,771	287,224	545,529	311,835	351,019	354,001
56	Marketing and Promotions			427,625	430,086	492,294	588,078
57	Ticket Office	176,757	199,302	513,198	240,341	265,279	303,344
58	Athletic Training Room	303,579	340,717	388,608	407,214	593,739	525,875
59	Memberships and Dues			450,613	478,007	487,382	512,513
60	Facilities Mtn & Debt Service	1,355,158	1,628,859	1,774,643	2,625,603	2,606,173	5,802,814
61	Capital Improvements	141,358	191,909	621,414	665,311	1,027,905	1,312,560
62	NCAA/Special Event/Bowls	361,737	403,297	404,368	2,667,854	37,591	185,450
63	Other Miscellaneous	1,070,370	1,348,143	1,425,397	1,605,344	1,686,734	1,782,338
64	Total Admin & General	5,738,650	6,571,667	8,847,842	11,644,396	10,149,417	14,209,695
65							
66	Men's Programs:						
67	Football	3,318,890	3,482,093	4,007,802	4,644,875	5,772,723	5,983,393
68	Basketball	849,573	974,026	942,367	1,124,670	1,097,407	1,246,693
69	Track & Field/Cross Country	298,858	309,118	342,174	331,224	358,198	416,133
70	Tennis	264,240	261,411	262,102	273,000	310,932	296,720
71	Baseball						
72	Wrestling	280,280	324,303	306,217	321,041	376,418	407,868
73	Golf	181,630	137,347	126,292	144,336	171,692	150,081
74	Volleyball						
75	Rodeo						
76	Total Men's Programs	5,193,471	5,488,298	5,986,954	6,839,146	8,087,370	8,500,888
77							
78	Women's Programs						
79	Volleyball	459,139	437,285	443,030	478,642	509,694	509,517
80	Basketball	649,773	678,056	646,831	651,090	833,326	976,812
81	Track & Field/Cross Country	349,718	360,705	400,203	387,007	416,838	484,140
82	Tennis	247,374	251,387	217,438	233,531	271,551	268,995
83	Gymnastics	382,997	419,425	384,594	436,812	438,173	453,486
84	Golf	234,223	200,946	189,529	196,611	193,903	183,923
85	Soccer	374,605	356,601	378,530	388,377	419,012	428,548
86	Softball	0	0	0	0	0	0
87	Skiing	156,971	152,041	159,666	6,156	5,253	418,852
88	Swimming				212,308	401,532	404,369
89	Total Women's Programs	2,854,800	2,856,446	2,819,821	2,990,534	3,489,282	4,128,642
90							
91	Total Expenditures	13,786,921	14,916,411	17,654,617	21,474,076	21,726,069	26,839,225

**College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Boise State University**

BSU

Participants by Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
92	Men's Programs:						
93	Football	115	108	109	104	102	105
94	Basketball	13	14	13	15	16	14
95	Track & Field/Cross Country	35	29	31	36	37	38
96	Tennis	9	10	12	10	13	12
97	Baseball						
98	Wrestling	22	30	28	22	30	33
99	Golf	12	10	11	10	9	10
100	Volleyball						
101	Rodeo						
102	Total Male Participation	206	201	204	197	207	212
103	Women's Programs						
104	Volleyball	13	13	13	15	19	15
105	Basketball	13	14	13	13	17	16
106	Track & Field/Cross Country	35	34	29	28	38	47
107	Tennis	8	8	9	9	9	9
108	Gymnastics	14	16	15	16	25	22
109	Golf	8	8	8	10	8	10
110	Soccer	21	25	30	27	28	27
111	Softball	0	0	0	0	0	0
112	Skiing		5	8	0	0	19
113	Swimming			0	14	26	31
114	Rodeo			0	0	0	0
115	Total Female Participation	112	123	125	132	170	196
116	Total Participants	318	324	329	329	377	408

College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Boise State University

BSU

Full Ride Scholarships (Hdct)		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
117 Men's Programs:							
118	Football	85.0	85.5	85.0	81.0	74.0	69.0
119	Basketball	11.5	11.5	12.0	13.0	11.0	12.0
120	Track & Field/Cross Country	4.0	3.0	3.0	3.0	3.0	5.0
121	Tennis		1.0	1.0	3.0	3.0	2.0
122	Baseball						
123	Wrestling	0.0	1.0	0.0	1.0	1.0	0.0
124	Golf	0.0	0.0	0.0	1.0	0.0	1.0
125	Volleyball						
126	Subtotal	100.5	102.0	101.0	102.0	92.0	89.0
127 Women's Programs							
128	Volleyball	12.0	9.5	11.5	11.0	12.0	12.0
129	Basketball	13.0	12.5	13.0	13.0	14.0	15.0
130	Track & Field/Cross Country	5.0	5.0	7.0	7.0	4.0	5.0
131	Tennis	8.0	7.0	9.0	7.0	7.0	8.0
132	Gymnastics	11.0	11.0	9.0	10.0	9.0	12.0
133	Golf	1.0	4.0	4.0	3.0	3.0	1.0
134	Soccer	2.0	1.0	0.0	1.0	0.0	1.0
135	Skiing	1.0	3.0	0.0	0.0	0.0	1.0
136	Softball	0.0	0.0	0.0	0.0	0.0	0.0
137	Swimming			0.0	0.0	1.0	1.0
138	Subtotal	53.0	53.0	53.5	52.0	50.0	56.0
139 Total Scholarships		153.5	155.0	154.5	154.0	142.0	145.0
140 Partial Scholarships by Sport (FTE)							
141 Men's Programs:							
142	Football	1.11	0.00	0.00	0.50	4.55	16.20
143	Basketball	0.00	0.00	0.00	0.00	0.46	0.50
144	Track & Field/Cross Country	8.27	7.85	8.76	6.98	8.76	5.36
145	Tennis	3.78	3.18	3.50	1.04	1.47	1.87
146	Baseball						
147	Wrestling	8.40	9.14	9.63	8.42	6.97	9.55
148	Golf	4.01	3.69	4.00	2.47	3.50	2.41
149	Volleyball						
150	Rodeo						
151	Subtotal	25.57	23.86	25.89	19.41	25.71	35.89
152 Women's Programs							
153	Volleyball		1.53	1.19	0.59	0.94	0.00
154	Basketball	0.29	1.63	2.15	0.04	1.01	0.50
155	Track & Field/Cross Country	9.53	7.31	10.33	8.57	10.47	9.26
156	Tennis	0.25	0.00	0.00	0.00	0.00	0.35
157	Gymnastics	1.00	0.58	2.15	0.79	0.70	0.00
158	Golf	4.63	1.39	1.96	3.00	3.08	4.62
159	Soccer	9.02	9.74	11.44	11.57	12.01	9.87
160	Softball						
161	Skiing	1.00	0.04	1.15	0.00	0.00	5.34
162	Swimming			0.00	1.76	5.98	9.33
163	Rodeo						
164	Subtotal	25.72	22.22	30.37	26.32	34.19	39.27
165 Total Scholarships		51.29	46.08	56.26	45.73	59.90	75.16

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Intercollegiate Athletics
Summary of Gender Equity Plans

	Original Base Year FY99	Current Base Year FY05	Estimate																	
	FY06	FY07	FY08 Plan	FY08 Act	FY09 plan	FY09 Est	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21		
Boise State University																				
FT Students: Male	3,712	4,820	4,820	4,868	4,917	5,313	4,966	5,313	5,366	5,420	5,474	5,529	5,584	5,640	5,696	5,753	5,811	5,869	5,928	5,987
Female	4,669	5,365	5,365	5,419	5,473	5,906	5,528	5,906	5,965	6,025	6,085	6,146	6,207	6,269	6,332	6,395	6,459	6,524	6,589	6,655
% Male	44%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%
Female	56%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%
Athletes: Male	212	208	190	195	195	248	195	270	259	259	259	260	259	259	259	259	259	259	259	259
Female	112	125	141	150	157	230	177	263	262	262	262	262	288	288	288	288	288	310	310	310
Female Student Athletes Needed	155	107	70	67	60	46	40	37	26	26	26	27	0	0	0	0	0	(22)	(22)	(22)
% Male	65%	62%	57%	57%	55%	52%	52%	51%	50%	50%	50%	50%	47%	47%	47%	47%	47%	46%	46%	46%
Female	35%	38%	43%	43%	45%	48%	48%	49%	50%	50%	50%	50%	53%	53%	53%	53%	54%	54%	54%	54%
Gender Equity Costs	224,540	571,207	709,207	759,207	1,075,685	915,727	1,765,257	1,596,491	1,626,254	1,764,673	1,853,652	2,115,254	2,729,823	2,778,528	2,990,141	3,130,156	3,596,097	4,592,145	4,790,166	5,178,260
Student Fees	50,000	50,000	50,000	50,000	120,000	50,000	190,000	174,440	190,000	230,000	230,000	300,000	440,000	440,000	510,000	510,000	585,000	725,000	800,000	800,000
Sport Revenue	115,492	150,000	150,000	150,000	150,000	81,855	175,000	281,855	175,000	193,979	200,000	225,000	225,000	250,000	250,000	275,000	285,000	290,000	300,000	300,000
Boosters/Foundation	59,048	91,335	91,335	91,335	95,589	0	120,000	163,324	120,000	120,000	140,000	150,000	170,000	170,000	185,000	185,000	200,000	210,000	220,000	230,000
Appropriated Support	0	279,872	417,872	467,872	710,096	783,872	1,280,257	976,872	1,141,254	1,239,673	1,289,673	1,465,254	1,894,823	1,943,528	2,045,141	2,185,156	2,536,097	3,372,145	3,480,166	3,848,260
Total Revenue	224,540	571,207	709,207	759,207	1,075,685	915,727	1,765,257	1,596,491	1,626,254	1,764,673	1,853,652	2,115,254	2,729,823	2,778,528	2,990,141	3,130,156	3,596,097	4,592,145	4,790,166	5,178,260
Costs Less Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Student Aid																				
Male	1,375,739	1,329,042	1,464,059	1,610,465	1,771,511	2,381,592	1,948,663	2,619,751	2,881,726	3,169,899	3,486,889	3,835,578	4,219,136	4,641,049	5,105,154	5,615,669	6,177,236	6,794,960	7,474,456	8,221,902
Female	901,301	997,394	1,095,562	1,205,118	1,358,630	1,712,086	1,639,033	2,027,835	2,313,118	2,599,660	2,859,626	3,145,588	3,582,947	4,019,522	4,514,182	4,965,600	5,462,160	6,213,977	6,966,814	7,808,080
Total Annual Student Aid	2,277,040	2,326,436	2,559,621	2,815,583	3,130,141	4,093,678	3,587,696	4,647,586	5,194,844	5,769,559	6,346,515	6,981,166	7,802,083	8,660,571	9,619,336	10,581,270	11,639,397	13,008,936	14,441,270	16,029,981
Annual Student Aid %																				
Male	60%	57%	57%	57%	57%	58%	54%	56%	55%	55%	55%	55%	54%	54%	53%	53%	53%	52%	52%	51%
Female	40%	43%	43%	43%	43%	42%	46%	44%	45%	45%	45%	45%	46%	46%	47%	47%	47%	48%	48%	49%
Total Annual Student Aid %	100%	100%	100%	100%	100%	100.00%	100.00%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Participants by Sports																				
Men's Programs:																				
Football		108	101	106	106	102	105	105	105	105	105	106	105	105	105	105	105	105	105	105
Basketball		14	14	14	14	16	14	14	14	14	14	14	14	14	14	14	14	14	14	14
Track and Field/Cross Country		36	30	30	30	78	30	96	90	90	90	90	90	90	90	90	90	90	90	90
Tennis		10	10	10	10	13	10	12	10	10	10	10	10	10	10	10	10	10	10	10
Wrestling		30	25	25	25	30	25	33	30	30	30	30	30	30	30	30	30	30	30	30
Golf		10	10	10	10	9	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Male Participants		208	190	195	195	248	194	270	259	259	259	260	259	259	259	259	259	259	259	259
Women's Programs:																				
Basketball		14	15	15	15	17	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Volleyball		13	15	15	15	19	15	16	15	15	15	15	15	15	15	15	15	15	15	15
Gymnastics		16	20	20	20	25	20	22	20	20	20	20	20	20	20	20	20	20	20	20
Swimming and Diving		0	0	15	22	26	22	31	30	30	30	30	30	30	30	30	30	30	30	30
Ski		5	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Soccer		25	25	25	25	28	25	27	25	25	25	25	25	25	25	25	25	25	25	25
Golf		8	10	10	10	8	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Tennis		8	10	10	10	9	10	9	10	10	10	10	10	10	10	10	10	10	10	10
Track and Field/Cross Country		36	36	40	40	98	40	117	117	117	117	117	117	117	117	117	117	117	117	117
Softball		0	0	0	0	0	20	16	20	20	20	20	20	20	20	20	20	20	20	20
Lacrosse		0	0	0	0	0	0	0	0	0	0	0	26	26	26	26	26	26	26	26
TBD		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22	22	22
Female Participants		125	141	150	157	230	177	263	262	262	262	262	288	288	288	288	288	310	310	310

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**College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Idaho State University**

ISU

Revenues/Expend/Fund Balance	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1 Revenue:						
2 Program Revenue:						
3 Ticket Sales	526,837	303,364	335,711	328,546	369,954	322,450
4 Game Guarantees	185,510	287,500	271,000	562,000	644,000	733,100
5 Contributions	343,327	329,975	601,112	518,339	569,504	368,500
6 NCAA/Conference/Tournaments	423,041	394,651	408,261	493,850	532,650	483,445
7 TV/Radio/Internet Rights	14,314	4,300	8,575	9,692	6,180	5,000
8 Program/Novelty Sales,						
9 Concessionns, Parking	17,000	17,000	17,000	17,534	21,438	17,500
10 Royalty, Advertisement, Sponsorship	364,585	547,001	607,938	551,818	622,694	550,000
11 Endowment/Investment Income	470	46,730	23,590	23,870	28,660	28,910
12 Other	63,384	29,736	95,268	112,284	95,440	90,000
13 Total Program Revenue	1,938,468	1,960,257	2,368,455	2,617,932	2,890,521	2,598,905
14 Non-Program Revenue:						
15 NCAA/Bowl/World Series	0	0	0	50,960	750	0
16 Student Fees	1,908,073	1,896,971	1,862,016	1,839,156	1,805,222	1,915,260
17 Direct State/Govt Support	1,851,700	1,975,859	2,120,212	2,201,200	2,319,642	2,442,600
18 Institutional Gender Equity	443,500	526,500	626,500	626,500	646,500	646,500
19 Direct Institutional Support	327,100	327,200	347,700	365,600	465,603	440,600
20 Subtotal State/Inst. Support	2,622,300	2,829,559	3,094,412	3,193,300	3,431,745	3,529,700
21 Total Non-Program Revenue	4,530,373	4,726,530	4,956,428	5,083,416	5,237,717	5,444,960
22 Subtotal Operating Revenue	6,468,841	6,686,787	7,324,883	7,701,348	8,128,238	8,043,865
23 Non-Cash Revenue						
24 Third Party Support	0	0	0	0	39,946	40,000
25 Indirect Institutional Support	0	0	0	0	0	0
26 Non-Cash Revenue	166,898	134,965	671,436	566,206	585,593	580,000
27 Non-Resident Tuition Waivers	815,100	849,600	920,150	905,919	977,670	975,000
28 Subtotal Non-Cash Revenue	981,998	984,565	1,591,586	1,472,125	1,603,209	1,595,000
29 Total Revenue:	7,450,839	7,671,352	8,916,469	9,173,473	9,731,447	9,638,865
31 Expenditures						
32 Operating Expenditures:						
33 Athletics Student Aid	1,410,249	1,606,427	1,655,684	1,768,404	1,710,189	1,766,686
34 Guarantees	115,888	39,500	47,500	78,839	93,500	57,500
35 Coaching Salary/Benefits	1,392,989	1,495,688	1,710,132	1,738,418	1,736,433	1,913,392
36 Admin Staff Salary/Benefits	1,109,249	1,246,438	1,337,241	1,553,199	1,462,110	1,429,213
37 Severance Payments	0	0	0	0	0	0
38 Recruiting	210,111	211,425	298,292	301,128	254,262	229,905
39 Team Travel	643,587	617,600	679,810	895,509	841,437	792,299
40 Equipment, Uniforms and Supplies	490,125	376,491	313,292	399,028	216,320	276,644
41 Game Expenses	147,543	92,477	60,132	265,853	310,724	224,160
42 Fund Raising, Marketing, Promotion	22,600	63,887	38,497	215,429	154,186	170,448
43 Direct Facilities/Maint/Rentals	215,143	95,936	146,384	172,966	149,771	141,324
44 Debt Service on Facilities	0	0	0	0	0	0
45 Spirit Groups	100,194	144,613	104,906	200,091	54,322	42,437
46 Medical Expenses & Insurance	227,823	227,357	256,778	307,129	266,042	325,010
47 Memberships & Dues	41,266	41,739	40,051	46,033	44,793	51,000
48 NCAA/Special Event/Bowls	0	0	0	46,595	2,983	0
49 Other Operating Expenses	303,951	479,129	664,314	511,704	466,619	502,847
50 Subtotal Operating Expenditures	6,430,718	6,738,707	7,353,013	8,500,325	7,763,692	7,922,865
51 Non-Cash Expenditures						
52 3rd Party Coaches Compensation	0	0	0	0	35,526	36,000
53 3rd Party Admin Staff Compensation	0	0	0	0	4,420	4,000
54 Indirect Facilities & Admin Support	0	0	0	0	0	0
55 Non-Cash Expense	166,898	134,965	671,436	566,206	585,593	580,000
56 Non-Resident Tuition Waivers	815,100	849,600	920,150	905,919	977,670	975,000
57 Subtotal Non-Cash Expenditures	981,998	984,565	1,591,586	1,472,125	1,603,209	1,595,000
58 Total Expenditures:	7,412,716	7,723,272	8,944,599	9,972,450	9,366,901	9,517,865
60 Net Income/(deficit)	38,123	(51,920)	(28,130)	(798,977)	364,546	121,000
62 Ending Fund Balance 6/30	741,292	689,372	661,242	(137,735)	226,811	347,811
64 Sport Camps & Clinics						
65 Revenue	120,804	131,802	174,387	168,462	227,303	200,000
66 Coach Compensation from Camp	119,410	114,770	99,623	97,398	49,190	80,000
67 Camp Expenses	47,246	34,114	60,045	82,432	193,807	120,000
68 Total Expenses	166,656	148,884	159,668	179,830	242,997	200,000
69 Net Income from Camps	(45,852)	(17,082)	14,719	(11,369)	-15,695	0

College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Idaho State University

ISU

Revenue by Program:		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Est	FY08 Est
1 General Revenue:							
2	Student Fees	1,908,073	1,896,971	1,862,016	1,839,156	1,805,222	1,915,260
3	Contributions	343,327	329,975	601,112	518,339	569,504	368,500
4	State Support	1,851,700	1,975,859	2,120,212	2,201,200	2,319,642	2,442,600
5	Institutional Gender Equity	443,500	526,500	626,500	626,500	646,500	646,500
6	Institutional Support	327,100	327,200	347,700	365,600	465,603	440,600
7	NCAA / Conference	423,041	394,651	408,261	493,850	532,650	483,445
8	TV / Radio / Internet	14,314	4,300	8,575	9,692	6,180	5,000
9	Concessions / program / etc.	17,000	17,000	17,000	17,534	21,438	17,500
10	Advertising / sponsorship / Royalty	364,585	547,001	607,938	551,818	622,694	550,000
11	Endowments	470	46,730	23,590	23,870	28,660	28,910
12	NCAA / Bowl / World Series	0	0	0	50,960	750	0
13	Other	41,398	13,357	95,268	102,189	98,842	90,000
14	Total General Revenue	5,734,508	6,079,544	6,718,172	6,800,707	7,117,686	6,988,315
15 Revenue By Sport:							
16 Men's Programs:							
17	Football						
18	Ticket Sales	325,130	167,432	178,384	169,071	196,636	135,956
19	Game Guarantees	100,000	190,000	200,000	325,000	300,000	405,000
20	Other (Tourn/Bowl/Conf)	0	0	0	0	0	0
21	Basketball						
22	Ticket Sales	175,653	103,776	100,272	120,288	131,526	165,000
23	Game Guarantees	77,430	80,000	71,000	225,000	315,000	305,000
24	Other (Tourn/Bowl/Conf)	0	0	0	0	0	0
25	Track & Field/Cross Country	982	6,393	1,030	4,605	4,136	2,000
26	Tennis	855	1,316	0	0	0	0
27	Baseball	0	0	0	0	0	0
28	Wrestling	0	0	0	0	0	0
29	Golf	10,770	995	0	0	0	0
30	Volleyball	0	0	0	0	0	0
31	Total Men's Sport Revenue	690,820	549,912	550,686	843,964	947,298	1,012,956
32 Women's Programs							
33	Volleyball						
34	Ticket Sales	3,955	2,797	3,867	3,198	3,063	2,688
35	Game Guarantees	0	0	0	0	0	3,600
36	Other (Tourn/Bowl/Conf)	0	0	0	0	0	0
37	Basketball						
38	Ticket Sales	15,693	18,241	16,331	15,018	23,600	12,000
39	Game Guarantees	7,000	17,500	0	11,000	23,000	19,500
40	Other (Tourn/Bowl/Conf)	0	0	31,819	14,295	750	0
41	Track & Field/Cross Country	4,223	8,128	1,030	4,605	4,136	2,000
42	Tennis	1,355	903	0	0	0	0
43	Gymnastics	0	0	0	0	0	0
44	Golf	2,205	1,508	0	0	0	0
45	Soccer	9,082	8,254	2,978	7,561	3,705	2,806
46	Softball	0	0	0	1,000	5,000	0
47	Skiing	0	0	0	0	0	0
48	Swimming	0	0	0	0	0	0
49	Total Women's Sport Rev	43,513	57,331	56,025	56,677	63,254	42,594
50	Total Revenue	6,468,841	6,686,787	7,324,883	7,701,348	8,128,238	8,043,865

College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Idaho State University

ISU

Expenditures by Admin/Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Est	FY08 Est
51	Administrative and General						
52	Athletic Director Office	744,487	649,404	714,640	841,585	839,554	699,960
53	Fund Raising Office	245,724	233,217	233,835	222,109	188,197	191,360
54	Academics Support	112,283	128,883	197,769	244,515	202,937	190,950
55	Media Relations	127,386	156,552	192,034	199,474	170,117	210,328
56	Marketing and Promotions	140,575	285,591	250,907	277,479	153,193	193,000
57	Ticket Office	0	0	0	0	0	0
58	Athletic Training Room	153,288	185,986	177,277	208,738	250,145	282,337
59	Memberships and Dues	0	0	0	46,033	44,793	45,000
60	Facilities Mtn & Debt Service	85,000	85,000	85,000	85,000	85,000	85,000
61	Capital Improvements	0	0	0	0	0	0
62	NCAA/Special Event/Bowls	0	0	0	46,595	750	0
63	Other Miscellaneous	591,479	622,522	582,988	790,456	616,395	595,860
64	Total Admin & General	2,200,222	2,347,155	2,434,450	2,961,984	2,551,081	2,493,795
65							
66	Men's Programs:						
67	Football	1,640,164	1,623,316	1,769,956	1,953,471	1,817,596	1,922,790
68	Basketball	591,507	598,677	699,624	823,675	764,289	825,551
69	Track & Field/Cross Country	217,127	263,652	265,017	310,031	293,231	287,149
70	Tennis	92,826	121,252	101,968	95,857	96,929	92,874
71	Baseball	0	0	0	0	0	0
72	Wrestling	0	0	0	0	0	0
73	Golf	59,767	68,414	82,268	91,870	82,823	12,615
74	Volleyball	0	0	0	0	0	0
75	Rodeo	0	0	0	0	0	0
76	Total Men's Programs	2,601,391	2,675,311	2,918,833	3,274,904	3,054,868	3,140,979
77							
78	Women's Programs						
79	Volleyball	330,619	305,098	344,992	356,805	332,383	366,522
80	Basketball	495,251	531,939	601,505	598,824	594,512	628,221
81	Track & Field/Cross Country	257,479	303,016	312,553	385,315	338,039	375,409
82	Tennis	137,650	126,282	142,087	123,439	112,339	106,221
83	Gymnastics	0	0	0	0	0	0
84	Golf	100,775	107,397	96,166	112,107	104,199	102,023
85	Soccer	307,331	338,714	354,939	357,435	370,437	413,305
86	Softball	0	3,795	147,488	329,512	305,834	296,390
87	Skiing	0	0	0	0	0	0
88	Swimming	0	0	0	0	0	0
89	Total Women's Programs	1,629,105	1,716,241	1,999,730	2,263,437	2,157,743	2,288,091
90							
91	Total Expenditures	6,430,718	6,738,707	7,353,013	8,500,325	7,763,692	7,922,865

**College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Idaho State University**

ISU

Participants by Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Est	FY08 Est
92	Men's Programs:						
93	Football	86	86	92	84	87	85
94	Basketball	13	15	16	18	14	16
95	Track & Field/Cross Country	44	50	48	46	37	37
96	Tennis	12	7	8	9	8	7
97	Baseball						
98	Wrestling						
99	Golf	14	10	8	7	7	0
100	Volleyball						
101	Rodeo						
102	Total Male Participation	169	168	172	164	153	145
103	Women's Programs						
104	Volleyball	12	11	14	13	13	14
105	Basketball	14	14	18	15	15	14
106	Track & Field/Cross Country	46	57	44	39	37	40
107	Tennis	9	9	9	9	7	7
108	Gymnastics						
109	Golf	8	9	10	9	8	6
110	Soccer	21	21	23	23	22	22
111	Softball	-	-	-	20	20	19
112	Skiing	-	-	-	-	-	-
113	Swimming	-	-	-	-	-	-
114	Rodeo						
115	Total Female Participation	110	121	118	128	122	122
116	Total Participants	279	289	290	292	275	267

**College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
Idaho State University**

ISU

Full Ride Scholarships (Hdct)		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Est	FY08 Est
117	Men's Programs:						
118	Football	51.0	53.0	51.0	50.0	50.0	49.0
119	Basketball	11.0	12.0	13.0	12.0	11.0	13.0
120	Track & Field/Cross Country	1.0	1.0	2.0	1.0	2.0	3.0
121	Tennis	0.0	0.0	0.0	0.0	0.0	0.0
122	Baseball						
123	Wrestling						
124	Golf	0.0	0.0	0.0	0.0	0.0	0.0
125	Volleyball						
126	Subtotal	63.0	66.0	66.0	63.0	63.0	65.0
127	Women's Programs						
128	Volleyball	12.0	10.0	11.0	9.0	9.0	10.0
129	Basketball	12.0	13.0	11.0	13.0	14.0	10.0
130	Track & Field/Cross Country	0.0	1.0	0.0	0.0	3.0	5.0
131	Tennis	6.0	4.0	6.0	4.0	4.0	1.0
132	Gymnastics						
133	Golf	5.0	4.0	1.0	0.0	0.0	0.0
134	Soccer	5.0	4.0	2.0	3.0	3.0	4.0
135	Skiing	0.0	0.0	0.0	0.0	0.0	0.0
136	Softball	0.0	0.0	0.0	0.0	0.0	1.0
137	Swimming	0.0	0.0	0.0	0.0	0.0	0.0
138	Subtotal	40.0	36.0	31.0	29.0	33.0	31.0
139	Total Scholarships	103.0	102.0	97.0	92.0	96.0	96.0
140	Partial Scholarships by Sport (FTE)						
141	Men's Programs:						
142	Football	10.60	7.69	12.89	8.18	11.67	9.29
143	Basketball	0.00	0.00	0.00	0.50	0.50	0.00
144	Track & Field/Cross Country	10.31	11.16	10.60	10.54	10.38	9.56
145	Tennis	4.50	4.50	4.50	3.94	4.20	2.81
146	Baseball						
147	Wrestling						
148	Golf	1.85	2.43	3.34	2.50	2.62	0.00
149	Volleyball						
150	Rodeo						
151	Subtotal	27.26	25.78	31.33	25.66	29.37	21.66
152	Women's Programs						
153	Volleyball	0.00	0.48	0.52	1.44	1.47	0.95
154	Basketball	0.50	0.50	1.87	0.00	0.49	1.01
155	Track & Field/Cross Country	14.03	16.34	16.97	17.39	12.60	9.13
156	Tennis	1.00	2.06	1.01	2.15	1.15	3.81
157	Gymnastics						
158	Golf	0.55	1.83	2.90	4.52	3.33	2.87
159	Soccer	6.89	7.57	9.54	8.42	9.16	7.61
160	Softball	0.00	0.00	0.00	7.44	7.54	7.90
161	Skiing						
162	Swimming						
163	Rodeo						
164	Subtotal	22.97	28.78	32.81	41.36	35.74	33.28
165	Total Scholarships	50.23	54.56	64.14	67.02	65.11	54.94

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Intercollegiate Athletics

Summary of Gender Equity Plans

		Original Base Year FY99	Interim Base Year FY05	FY06 Act	FY07 Act	FY08 Act	FY09 Proj	FY10	FY11	FY12
Idaho State University										
FT Students:	Male	2,754	2,946	2,946	3,520	3,196	3,228	3,260	3,293	3,326
	Female	3,577	3,767	3,767	4,212	3,699	3,736	3,773	3,811	3,849
%	Male	44%	44%	44%	46%	46%	46%	46%	46%	46%
	Female	56%	56%	56%	54%	54%	54%	54%	54%	54%
Athletes:	Male	160	168	172	164	153	145	145	145	145
	Female	101	121	118	131	122	122	139	141	143
Female Student Athletes Needed		107	94	102	65	55	46	29	27	25
%	Male	61%	58%	59%	56%	56%	54%	51%	51%	50%
	Female	39%	42%	41%	44%	44%	46%	49%	49%	50%
Gender Equity Costs		223,000	868,500	753,413	856,430	836,820	876,442	885,865	905,383	925,577
Anticipated Sources of Revenue:										
Increased Student Fees		86,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
Sport Revenue		55,000	55,000	4,176	19,653	48,029	30,000	3,000	3,000	3,000
Boosters/Foundation		32,000	32,000	30,723	38,071	44,753	38,590	39,444	39,500	39,694
Appropriated Support		50,000	526,500	626,500	626,500	646,500	646,500	646,500	646,500	646,500
Total Revenue		223,000	868,500	916,399	939,224	994,282	970,090	943,944	944,000	944,194
Costs Less Revenue		0	0	(162,986)	(82,794)	(157,462)	(93,648)	(58,079)	(38,617)	(18,617)
Annual Student Aid										
Male		1,074,105	1,387,351	1,503,095	1,437,132	1,523,666	1,576,381	1,553,645	1,531,874	1,531,874
Female		631,010	960,521	953,526	1,097,074	1,104,065	1,150,128	1,311,225	1,343,496	1,364,496
Total Annual Student Aid		1,705,115	2,347,872	2,456,621	2,534,206	2,627,731	2,726,509	2,864,870	2,875,370	2,896,370
Annual Student Aid %										
Male		63%	59%	61%	57%	58%	58%	54%	53%	53%
Female		37%	41%	39%	43%	42%	42%	46%	47%	47%
Total Annual Student Aid %		100%	100%	100%	100%	100%	100%	100%	100%	100%
Participants by Sport										
Men's Programs:										
Football		96	86.0	92.0	84.0	87.0	85.0	85.0	85.0	85.0
Basketball		14	15.0	16.0	18.0	14.0	16.0	16.0	16.0	16.0
Track & Field/Cross Country		34	50.0	48.0	46.0	37.0	37.0	37.0	37.0	37.0
Tennis		7	7.0	8.0	9.0	8.0	7.0	7.0	7.0	7.0
Baseball										
Wrestling										
Golf		9	10.0	8.0	7.0	7.0				
Volleyball										
Rodeo										
Male Participation %		160	168.0	172.0	164.0	153.0	145.0	145.0	145.0	145.0
		61.30%	58.13%	59.31%	55.59%	55.64%	54.31%	51.06%	50.70%	50.35%
Women's Programs										
Volleyball		13	11.0	14.0	16.0	13.0	14.0	14.0	14.0	15.0
Basketball		14	14.0	18.0	15.0	15.0	14.0	16.0	16.0	16.0
Track & Field/Cross Country		36	57.0	44.0	39.0	37.0	40.0	47.0	48.0	49.0
Tennis		7	9.0	9.0	9.0	7.0	7.0	9.0	9.0	9.0
Gymnastics										
Golf		11	9.0	10.0	9.0	8.0	6.0	9.0	9.0	9.0
Soccer		20	21.0	23.0	23.0	22.0	22.0	24.0	25.0	25.0
Softball					20.0	20.0	19.0	20.0	20.0	20.0
New Sport 1										
New Sport 2										
New Sport 3										
Total Female Participation		101	121.0	118.0	131.0	122.0	122.0	139.0	141.0	143.0
Female Participation %		38.70%	41.87%	40.69%	44.41%	44.36%	45.69%	48.94%	49.30%	49.65%
Total Participants		261	289.0	290.0	295.0	275.0	267.0	284.0	286.0	288.0

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College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
University of Idaho

UI

Revenues/Expend/Fund Balance	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1 Revenue (Detail):						
2 Program Revenue:						
3 Ticket Sales	339,051	140,363	537,322	645,308	480,817	832,386
4 Game Guarantees	1,059,612	894,552	951,500	1,285,000	1,165,000	1,005,000
5 Contributions	2,018,715	2,151,204	2,145,814	2,221,176	2,631,059	2,433,579
6 NCAA/Conference/Tournaments	451,326	523,353	952,382	1,505,558	1,446,488	1,334,118
7 TV/Radio/Internet Rights	155,921	128,042	138,928	150,000	150,000	50,000
8 Program/Novelty Sales,						
9 Concessionns, Parking	561,906	610,764	21,671	67,428	40,579	44,500
10 Royalty, Advertisement, Sponsorship			349,565	361,817	273,569	124,917
11 Endowment/Investment Income			177,541	220,184	245,278	260,000
12 Other	373,959	263,959	51,636	223,157	129,704	33,650
13 Total Program Revenue	4,960,490	4,712,237	5,326,359	6,679,628	6,562,493	6,118,150
14 Non-Program Revenue:						
15 NCAA/Bowl/World Series						
16 Student Fees	1,773,104	1,851,406	1,898,593	1,986,666	2,048,266	2,219,608
17 Direct State/Govt Support	1,851,700	1,974,371	2,118,800	2,201,200	2,263,906	2,102,929
18 Institutional Gender Equity	346,660	419,460	508,060	534,860	561,560	809,266
19 Direct Institutional Support	579,500	621,600	672,300	688,800	726,500	743,900
20 Subtotal State/Inst. Support	2,777,860	3,015,431	3,299,160	3,424,860	3,551,966	3,656,095
21 Total Non-Program Revenue	4,550,964	4,866,837	5,197,753	5,411,526	5,600,232	5,875,703
22 Subtotal Operating Revenue:	9,511,454	9,579,074	10,524,112	12,091,154	12,162,726	11,993,853
23 Non-Cash Revenue						
24 Third Party Support			212,500	215,500	260,750	258,500
25 Indirect Institutional Support			324,268	287,978	280,304	400,000
26 Non-Cash Revenue			402,160	409,878	474,493	528,586
27 Non-Resident Tuition Waivers	1,189,383	1,526,899	1,599,725	1,711,300	1,743,952	1,800,000
28 Subtotal Non-Cash Revenue	1,189,383	1,526,899	2,538,653	2,624,656	2,759,499	2,987,086
29 Total Revenue:	10,700,837	11,105,973	13,062,765	14,715,810	14,922,225	14,980,939
31 Expenditures:						
32 Operating Expenditures:						
33 Athletics Student Aid	1,718,598	2,094,309	2,209,423	2,394,766	2,480,796	2,467,276
34 Guarantees	281,076	159,200	10,200	160,374	288,486	300,100
35 Coaching Salary/Benefits	1,621,147	1,712,555	2,135,827	2,228,029	2,391,727	2,603,983
36 Admin Staff Salary/Benefits	1,117,886	1,178,186	1,762,882	1,769,848	1,898,039	1,948,887
37 Severance Payments	792,090	859,134	63,294	109,140	94,118	100,800
38 Recruiting	328,527	276,476	376,543	477,736	491,207	401,405
39 Team Travel	1,153,186	1,255,730	1,185,098	1,581,545	1,470,544	1,644,164
40 Equipment, Uniforms and Supplies	1,875,374	1,665,343	297,572	423,464	371,074	388,206
41 Game Expenses			277,024	360,875	390,412	569,258
42 Fund Raising, Marketing, Promotion			291,562	224,791	223,699	183,419
43 Direct Facilities/Maint/Rentals	266,071	131,978	41,329	25,467	27,089	12,500
44 Debt Service on Facilities			0	0	0	0
45 Spirit Groups			0	0	0	0
46 Medical Expenses & Insurance	238,712	240,383	326,065	299,240	336,028	346,700
47 Memberships & Dues			415,810	415,452	415,144	224,500
48 NCAA/Special Event/Bowls			0	0	0	0
49 Other Operating Expenses			1,009,619	1,296,699	1,684,310	1,038,137
50 Subtotal Operating Expenditures	9,392,667	9,573,294	10,402,248	11,767,426	12,562,673	12,229,335
51 Non-Cash Expenditures						
52 3rd Party Coaches Compensation			207,500	208,000	243,250	241,000
53 3rd Party Admin Staff Compensation			5,000	7,500	17,500	17,500
54 Indirect Facilities & Admin Support			324,268	287,978	280,304	400,000
55 Non-Cash Expense			402,160	409,878	474,493	528,586
56 Non-Resident Tuition Waivers	1,189,383	1,526,899	1,599,725	1,711,300	1,743,952	1,800,000
57 Subtotal Non-Cash Expenditures	1,189,383	1,526,899	2,538,653	2,624,656	2,759,499	2,987,086
58 Total Expenditures:	10,582,050	11,100,193	12,940,901	14,392,082	15,322,172	15,216,421
59						
60 Net Income/(deficit)	118,787	5,780	121,864	323,728	(399,947)	(235,482)
61						
62 Ending Fund Balance 6/30	234,393	240,173	362,037	685,765	285,818	50,336
63						
64 Sport Camps & Clinics						
65 Revenue	209,244	284,316	370,345	266,395	285,983	314,900
66 Coach Compensation from Camp			74,591	55,885	69,711	63,843
67 Camp Expenses	202,459	262,762	254,477	250,586	218,561	251,057
68 Total Expenses	202,459	262,762	329,068	306,471	288,272	314,900
69 Net Income from Camps	6,785	21,554	41,277	(40,076)	(2,289)	0

College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
University of Idaho

UI

Revenue by Program:		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1	General Revenue:						
2	Student Fees	1,773,104	1,946,554	1,898,593	1,986,666	2,048,266	2,219,608
3	Contributions	2,018,715	204,650	2,145,814	2,221,176	2,631,059	2,433,579
4	State Support	1,851,700	1,974,371	2,118,800	2,201,200	2,263,906	2,102,929
5	Institutional Gender Equity	346,660	419,460	508,060	534,860	561,560	809,266
6	Institutional Support	579,500	621,600	672,300	688,800	726,500	743,900
7	NCAA/Conference			952,382	1,505,558	1,446,488	1,334,118
8	TV/Radio/Internet			138,928	150,000	150,000	50,000
9	Concessions/program/etc.			21,671	67,428	40,579	44,500
10	Advertising/sponsorship/Royalty			349,565	361,817	273,569	124,917
11	Endowments			177,541	220,178	245,278	260,000
12	Special Events			0	0	0	0
13	Other	1,300,796	3,200,439	51,635	223,163	129,704	33,650
14	Total General Revenue	7,870,475	8,367,074	9,035,289	10,160,846	10,516,909	10,156,467
15	Revenue By Sport:						
16	Men's Programs:						
17	Football						
18	Ticket Sales	289,501	95,500	440,610	545,623	425,052	782,386
19	Game Guarantees	1,010,000	855,000	860,000	1,185,000	1,060,000	850,000
20	Other (Tourn/Bowl/Conf)	29,322	12,218	0	0	0	0
21	Basketball						
22	Ticket Sales	35,271	26,544	66,279	60,023	31,804	25,000
23	Game Guarantees	46,112	38,552	84,000	89,000	100,000	140,000
24	Other (Tourn/Bowl/Conf)	14,322	10,992	0	0	0	0
25	Track & Field/Cross Country	9,971	3,993	1,749	421	0	0
26	Tennis		1,076	0	0	0	0
27	Baseball						
28	Wrestling						
29	Golf	4,920		0	0	0	0
30	Volleyball	140,921	128,042				
31	Total Men's Sport Revenue	1,580,340	1,171,917	1,452,638	1,880,067	1,616,856	1,797,386
32	Women's Programs						
33	Volleyball						
34	Ticket Sales	3,622	3,971	10,154	20,193	12,315	13,000
35	Game Guarantees			1,000	0	0	0
36	Other (Tourn/Bowl/Conf)	9,450		0	0	0	0
37	Basketball						
38	Ticket Sales	10,657	14,348	16,782	18,627	11,645	12,000
39	Game Guarantees	3,500	1,000	6,500	11,000	5,000	15,000
40	Other (Tourn/Bowl/Conf)	15,119	15,695	0	0	0	0
41	Track & Field/Cross Country	9,971	3,993	1,749	421	0	0
42	Tennis	3,125	1,076	0	0	0	0
43	Gymnastics						
44	Golf	5,195		0	0	0	0
45	Soccer			0	0	0	0
46	Softball						
47	Skiing						
48	Swimming			0	0	0	0
49	Total Women's Sport Rev	60,639	40,083	36,185	50,241	28,961	40,000
50	Total Revenue	9,511,454	9,579,074	10,524,112	12,091,154	12,162,726	11,993,853

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University of Idaho

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Expenditures by Admin/Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
51	Administrative and General						
52	Athletic Director Office	600,203	529,978	722,123	801,364	710,283	790,007
53	Fund Raising Office	259,892	271,706	352,662	398,229	376,990	355,327
54	Academics Support			179,299	220,728	265,112	287,120
55	Media Relations	162,123	173,574	178,861	202,651	218,419	223,563
56	Marketing and Promotions			377,719	150,095	148,638	107,346
57	Ticket Office	15,654	11,345	27,474	39,151	30,369	40,036
58	Athletic Training Room	472,685	307,175	585,707	561,424	625,537	283,950
59	Memberships and Dues			415,810	415,452	405,355	224,500
60	Facilities Mtn & Debt Service			0	0	0	0
61	Capital Improvements			0	0	0	0
62	NCAA/Special Event/Bowls	185,861	42,082	41,255	289,794	537,515	53,950
63	Other Miscellaneous	1,199,334	1,372,757	525,894	798,340	743,966	988,655
64	Total Admin & General	2,895,752	2,708,617	3,406,804	3,877,228	4,062,184	3,354,454
65							
66	Men's Programs:						
67	Football	3,070,319	2,994,215	2,737,358	3,618,892	3,626,395	4,006,844
68	Basketball	889,954	898,680	993,997	978,109	1,107,745	1,078,987
69	Track & Field/Cross Country	279,437	293,957	343,359	360,532	384,230	365,834
70	Tennis	95,584	79,210	94,956	99,653	110,977	156,018
71	Baseball			0	0	0	0
72	Wrestling			0	0	0	0
73	Golf	109,724	114,858	125,273	143,782	179,376	162,635
74	Volleyball			0	0	0	0
75	Rodeo			0	0	0	0
76	Total Men's Programs	4,445,018	4,380,920	4,294,943	5,200,968	5,408,723	5,770,318
77							
78	Women's Programs						
79	Volleyball	414,482	474,486	539,724	524,178	565,890	609,756
80	Basketball	553,910	669,305	721,419	721,839	803,362	865,928
81	Track & Field/Cross Country	408,912	397,542	419,445	423,565	529,622	456,294
82	Tennis	148,000	135,289	149,902	142,365	138,986	201,664
83	Gymnastics			0	0	0	0
84	Golf	136,192	132,415	147,236	172,610	207,810	188,440
85	Soccer	355,788	357,502	391,439	355,950	403,600	413,088
86	Softball			0	0	0	0
87	Skiing			0	0	0	0
88	Swimming	34,613	317,218	331,336	348,723	442,496	369,393
89	Total Women's Programs	2,051,897	2,483,757	2,700,501	2,689,230	3,091,766	3,104,563
90							
91	Total Expenditures	9,392,667	9,573,294	10,402,248	11,767,426	12,562,673	12,229,335

College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
University of Idaho

UI

Participants by Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
92	Men's Programs:						
93	Football	113	111	120	125	107	109
94	Basketball	15	17	14	16	16	17
95	Track & Field/Cross Country	49	42	45	41	43	51
96	Tennis	10	8	10	12	10	9
97	Baseball						
98	Wrestling						
99	Golf	11	11	11	9	10	9
100	Volleyball						
101	Rodeo						
102	Total Male Participation	198	189	200	203	186	195
103	Women's Programs						
104	Volleyball	18	15	17	16	12	15
105	Basketball	18	20	13	16	14	14
106	Track & Field/Cross Country	32	37	38	33	34	40
107	Tennis	8	8	9	8	11	12
108	Gymnastics						
109	Golf	8	8	7	7	6	7
110	Soccer	23	23	23	26	24	24
111	Softball						
112	Skiing						
113	Swimming		18	20	25	25	24
114	Rodeo						
115	Total Female Participation	107	129	127	131	126	136
116	Total Participants	305	318	327	334	312	331

College & Universities
Intercollegiate Athletics Report
Summary of Revenue and Expenditures
University of Idaho

UI

Full Ride Scholarships (Hdct)		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
117	Men's Programs:						
118	Football	73.5	76.5	73.5	68.5	69.5	76.5
119	Basketball	12.5	13.0	11.0	12.0	10.0	12.0
120	Track & Field/Cross Country	3.5	4.5	6.0	6.0	4.0	6.0
121	Tennis						1.0
122	Baseball						
123	Wrestling						
124	Golf						1.0
125	Volleyball						
126	Subtotal	89.5	94.0	90.5	86.5	83.5	96.5
127	Women's Programs						
128	Volleyball	11.0	11.0	12.0	11.0	11.0	11.0
129	Basketball	12.0	14.5	15.0	14.0	14.0	10.5
130	Track & Field/Cross Country	9.0	11.0	8.0	7.0	9.0	7.0
131	Tennis	7.0	7.5		7.5	6.0	6.5
132	Gymnastics						
133	Golf		2.0	2.0	4.0	4.0	4.0
134	Soccer	2.0	3.0	3.0	1.0	2.0	3.0
135	Skiing						
136	Softball						
137	Swimming		7.0	8.0	7.0	7.0	6.0
138	Subtotal	41.0	56.0	48.0	51.5	53.0	48.0
139	Total Scholarships	130.5	150.0	138.5	138.0	136.5	144.5
140	Partial Scholarships by Sport (FTE)						
141	Men's Programs:						
142	Football	3.83	1.15	2.21	7.10	0.60	0.50
143	Basketball			1.45	0.00	1.99	0.00
144	Track & Field/Cross Country	5.56	6.18	6.39	6.47	8.21	5.97
145	Tennis	4.26	4.00	4.44	4.13	4.20	3.17
146	Baseball						
147	Wrestling						
148	Golf	3.55	4.29	4.27	4.32	4.10	3.37
149	Volleyball						
150	Rodeo						
151	Subtotal	17.20	15.62	18.76	22.02	19.10	13.01
152	Women's Programs						
153	Volleyball		0.27	0.00	0.00	0.00	0.00
154	Basketball	0.26		0.00	0.00	0.00	0.00
155	Track & Field/Cross Country	7.64	6.43	0.00	9.86	7.71	9.77
156	Tennis		0.39	0.00	0.00	0.00	0.50
157	Gymnastics						
158	Golf	5.45	3.71	3.60	1.82	1.66	0.00
159	Soccer	9.51	8.71	9.00	9.26	11.36	9.39
160	Softball						
161	Skiing						
162	Swimming		6.19	5.65	6.80	5.94	5.07
163	Rodeo						
164	Subtotal	22.86	25.70	18.25	27.74	26.67	24.73
165	Total Scholarships	40.06	41.32	37.01	49.76	45.77	37.74

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Intercollegiate Athletics

Summary of Gender Equity Plans

UI

		Original Base Year FY99	Current Base Year FY08	Estimate				
				FY09	FY10	FY11	FY12	FY13
University of Idaho								
FT Students:	Male	4,313	4,325	4,368	4,412	4,456	4,501	4,546
	Female	3,675	3,602	3,638	3,674	3,711	3,748	3,786
%	Male	54%	55%	55%	55%	55%	55%	55%
	Female	46%	45%	45%	45%	45%	45%	45%
Athletes:	Male	190	186	195	183	182	180	180
	Female	110	126	136	144	145	146	146
Female Student Athletes Needed		52	29	26	8	7	4	4
%	Male	63%	60%	59%	56%	56%	55%	55%
	Female	37%	40%	41%	44%	44%	45%	45%
Gender Equity Costs		138,800	846,096	782,481	829,430	846,018	862,939	880,198
Anticipated Sources of Revenue:								
Increased Student Fees								
Sport Revenue								
Boosters/Foundation								
Appropriated Support		138,800	561,560	809,266	825,451	841,960	858,800	875,976
Total Revenue		138,800	561,560	809,266	825,451	841,960	858,800	875,976
Costs Less Revenue		0	284,536	(26,785)	3,979	4,058	4,139	4,222
Annual Student Aid								
Male		721,446	1,325,139	1,472,935	1,577,712	1,581,279	1,584,358	1,601,486
	Female	411,576	980,119	942,982	1,086,096	1,121,006	1,156,879	1,193,737
Total Annual Student Aid		1,133,022	2,305,258	2,415,917	2,663,809	2,702,286	2,741,237	2,795,223
Annual Student Aid %								
Male		64%	57%	61%	59%	59%	58%	57%
	Female	36%	43%	39%	41%	41%	42%	43%
Total Annual Student Aid %		100%	100%	100%	100%	100%	100%	100%

* FY99 amounts originally included OST waivers. Those are excluded by new definitions. Amts sho

University of Idaho

Participants by Sport

1	Men's Programs:							
2	Football	105.0	107.0	109.0	108.0	107.0	105.0	105.0
3	Basketball	15.0	16.0	17.0	15.0	15.0	15.0	15.0
4	Track & Field/Cross Country	46.0	43.0	51.0	42.0	42.0	42.0	42.0
5	Tennis	8.0	10.0	9.0	9.0	9.0	9.0	9.0
6	Baseball							
7	Wrestling							
8	Golf	16.0	10.0	9.0	9.0	9.0	9.0	9.0
9	Volleyball							
10	Rodeo							
11	Total Male Participation	190.0	186.0	195.0	183.0	182.0	180.0	180.0
12	Women's Programs							
13	Volleyball	13.0	12.0	15.0	15.0	15.0	15.0	15.0
14	Basketball	14.0	14.0	14.0	16.0	16.0	16.0	16.0
15	Track & Field/Cross Country	38.0	34.0	40.0	42.0	42.0	42.0	42.0
16	Tennis	9.0	11.0	12.0	10.0	10.0	10.0	10.0
17	Gymnastics							
18	Golf	9.0	6.0	7.0	8.0	9.0	10.0	10.0
19	Soccer	27.0	24.0	24.0	26.0	26.0	26.0	26.0
20	Rodeo							
	Swimming		25.0	24.0	27.0	27.0	27.0	27.0
21	Total Female Participation	110.0	126.0	136.0	144.0	145.0	146.0	146.0
22	Total Participants	300.0	312.0	331.0	327.0	327.0	326.0	326.0

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**College & Universities
Intercollegiate Athletics Report
Summary of Revenues and Expenditures
Lewis-Clark State College**

LCSC

Revenues/Expend/Fund Balance	FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1 Revenue (Detail):						
2 Program Revenue:						
3 Ticket Sales	25,110	23,253	26,868	31,939	40,859	28,500
4 Game Guarantees						
5 Contributions	314,713	378,110	381,590	512,503	514,218	460,500
6 NCAA/Conference/Tournaments						
7 TV/Radio/Internet Rights	5,280	5,280	5,000	5,500	6,300	5,000
8 Program/Novelty Sales,						
9 Concessions, Parking						
10 Royalty, Advertisement, Sponsorship						
11 Endowment/Investment Income						
12 Other	12,442	22,000	21,152			
13 Total Program Revenue	357,545	428,643	434,610	549,942	561,377	494,000
14 Non-Program Revenue:						
15 NCAA/Bowl/World Series	384,250	398,319	508,185	545,690	605,197	525,000
16 Student Fees	357,235	307,332	288,415	292,765	294,890	285,000
17 Direct State/Govt Support	671,765	728,171	783,789	807,341	831,880	908,100
18 Institutional Gender Equity	19,000	25,000	23,000	* See Note	* See Note	* See Note
19 Direct Institutional Support	68,000	62,632	70,285	82,235	126,500	126,500
20 Subtotal State/Inst. Support	758,765	815,803	877,074	889,576	958,380	1,034,600
21 Total Non-Program Revenue	1,500,250	1,521,454	1,673,674	1,728,031	1,858,467	1,844,600
22 Subtotal Operating Revenue:	1,857,795	1,950,097	2,108,284	2,277,973	2,419,844	2,338,600
23 Non-Cash Revenue						
24 Third Party Support			25,000	25,000	29,400	25,000
25 Indirect Institutional Support			116,815	121,784	151,604	153,630
26 Non-Cash Revenue						
27 Non-Resident Tuition Waivers	415,402	388,964	474,084	542,868	688,692	725,000
28 Subtotal Non-Cash Revenue	415,402	388,964	615,899	689,652	869,696	903,630
29 Total Revenue:	2,273,197	2,339,061	2,724,183	2,967,625	3,289,540	3,242,230
30 * Institutional gender equity for FY2007 and FY2008 is now reflected in line 27 Non-Resident Tuition Waivers as a result of						
31 Expenditures: the increased Athletic Fee Waivers approved by Board action on August 10, 2006						
32 Operating Expenditures:						
33 Athletics Student Aid	279,052	311,949	309,155	361,116	406,892	415,000
34 Guarantees			17,233	35,546	18,131	20,000
35 Coaching Salary/Benefits	268,381	259,693	414,261	415,198	461,205	493,700
36 Admin Staff Salary/Benefits	250,171	249,731	327,922	287,002	275,516	285,000
37 Severance Payments	159,607	180,016				
38 Recruiting	12,849	14,170	24,008	17,763	38,229	25,200
39 Team Travel	178,827	224,279	198,425	190,198	251,739	252,500
40 Equipment, Uniforms and Supplies	265,187	276,372	98,238	140,751	159,211	142,000
41 Game Expenses			76,202	79,653	72,188	65,600
42 Fund Raising, Marketing, Promotion						
43 Direct Facilities/Maint/Rentals	53,441	28,092				
44 Debt Service on Facilities						
45 Spirit Groups						
46 Medical Expenses & Insurance	29,030	27,476	34,567	27,068	20,000	20,000
47 Memberships & Dues						
48 NCAA/Bowls/World Series	336,250	353,319	430,657	531,856	605,644	523,000
49 Other Operating Expenses			127,293	103,281	105,450	95,000
50 Subtotal Operating Expenditures	1,832,795	1,925,097	2,057,961	2,189,432	2,414,205	2,337,000
51 Non-Cash Expenditures						
52 3rd Party Coaches Compensation						
53 3rd Party Admin Staff Compensation						
54 Indirect Facilities & Admin Support			116,815	121,784	151,604	153,630
55 Non-Cash Expense			25,000	25,000	29,400	25,000
56 Non-Resident Tuition Waivers	415,402	388,964	474,084	542,868	688,692	725,000
57 Subtotal Non-Cash Expenditures	415,402	388,964	615,899	689,652	869,696	903,630
58 Total Expenditures:	2,248,197	2,314,061	2,673,860	2,879,084	3,283,901	3,240,630
59						
60 Net Income/(deficit)	25,000	25,000	50,323	88,541	5,639	1,600
61						
62 Ending Fund Balance 6/30	(55,328)	(30,328)	19,995	108,536	114,175	115,775
63						
64 Sport Camps & Clinics						
65 Camp Revenue	58,061	42,379	59,439	65,841	69,609	40,000
66 Coach Compensation from Camp			9,446	12,750	19,500	19,500
67 Camp Expenditures	47,093	27,465	36,199	43,557	39,814	20,000
68 Total Expenses	47,093	27,465	45,645	56,307	59,314	39,500
69 Net Income from Camps	10,968	14,914	13,794	9,534	10,295	500

**College & Universities
Intercollegiate Athletics Report
Summary of Revenues and Expenditures
Lewis-Clark State College**

LCSC

Revenue by Program:		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
1	General Revenue:						
2	Student Fees	357,235	307,332	288,415	292,765	294,890	285,000
3	Contributions	314,713	378,110	113,665	180,711	138,686	241,900
4	State Support	671,765	728,171	783,789	807,341	831,880	908,100
5	Institutional Gender Equity	19,000	25,000	23,000	* See Note	* See Note	* See Note
6	Institutional Support	68,000	62,632	70,285	82,235	126,500	126,500
7	NCAA/Conference /World Series			508,185	545,690	605,197	525,000
8	TV/Radio/Internet				5,500	6,300	5,000
9	Concessions/program/etc.						
10	Advertising/sponsorship/Royalty						
11	Endowments						
12	Special Events	384,250	398,319				
13	Other	12,442	22,000	21,152			
14	Total General Revenue	1,827,405	1,921,564	1,808,491	1,914,242	2,003,453	2,091,500
15	Revenue By Sport:						
16	Men's Programs:						
17	Football						
18	Ticket Sales						
19	Game Guarantees						
20	Other (Tourn/Bowl/Conf)						
21	Basketball			27,455	38,388	30,261	40,900
22	Ticket Sales	3,646	3,600	6,000	7,027	8,989	6,270
23	Game Guarantees						
24	Other (Tourn/Bowl/Conf)						
25	Track & Field/Cross Country			23,599	17,358	17,333	8,000
26	Tennis			12,508	11,738	17,180	8,000
27	Baseball	15,610	15,600	49,951	80,987	96,924	64,950
28	Wrestling						
29	Golf			33,331	24,284	15,018	20,000
30	Volleyball						
31	Total Men's Sport Revenue	19,256	19,200	152,844	179,782	185,705	148,120
32	Women's Programs						
33	Volleyball			21,163	26,870	39,033	20,000
34	Ticket Sales	1,471	1,500	3,682	1,916	2,451	1,710
35	Game Guarantees						
36	Other (Tourn/Bowl/Conf)						
37	Basketball			58,324	81,369	87,947	32,000
38	Ticket Sales	4,383	2,553	6,020	7,027	8,989	6,270
39	Game Guarantees						
40	Other (Tourn/Bowl/Conf)						
41	Track & Field/Cross Country			15,760	29,582	42,004	9,500
42	Tennis			7,674	14,394	26,330	9,500
43	Gymnastics						
44	Golf			34,326	22,791	23,932	20,000
45	Soccer						
46	Softball						
47	Skiing						
48	Swimming						
49	Total Women's Sport Rev	5,854	4,053	146,949	183,949	230,686	98,980
50	Total Revenue	1,852,515	1,944,817	2,108,284	2,277,973	2,419,844	2,338,600

**College & Universities
Intercollegiate Athletics Report
Summary of Revenues and Expenditures
Lewis-Clark State College**

LCSC

Expenditures by Admin/Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
51	Administrative and General						
52	Athletic Director Office	278,697	283,100	411,786	402,784	395,358	444,700
53	Fund Raising Office	50,298	82,052	50,950	5,217	2,114	
54	Academic Support						
55	Media Relations						
56	Marketing and Promotions						
57	Ticket Office						
58	Athletic Training Room	60,731	56,269	44,765	47,879	53,614	48,000
59	Memberships and Dues						
60	Facilities Mtn & Debt Service	53,441	28,092				
61	Capital Improvements						
62	NCAA/Special Event/Bowls						
63	Other Miscellaneous/World Series	515,077	577,598	430,657	531,856	605,644	523,000
64	Total Admin & General	958,244	1,027,111	938,158	987,736	1,056,730	1,015,700
65							
66	Men's Programs:						
67	Football						
68	Basketball	201,681	218,215	183,478	208,343	198,221	222,014
69	Track & Field/Cross Country	31,715	33,528	43,289	45,835	56,957	42,032
70	Tennis	32,397	36,311	36,333	31,756	22,094	40,451
71	Baseball	318,178	333,313	373,491	379,920	442,355	402,012
72	Wrestling						
73	Golf	12,852	34,936	35,555	40,895	48,426	49,874
74	Volleyball						
75	Rodeo						
76	Total Men's Programs	596,823	656,303	672,146	706,749	768,053	756,383
77							
78	Women's Programs						
79	Volleyball	161,994	137,722	148,616	158,753	186,354	170,696
80	Basketball	173,366	185,739	187,121	212,007	249,124	216,073
81	Track & Field/Cross Country	43,445	48,589	37,950	45,066	69,331	71,237
82	Tennis	33,869	32,484	33,999	29,351	30,958	44,651
83	Gymnastics						
84	Golf	15,468	28,624	39,971	49,770	53,655	62,260
85	Soccer						
86	Softball						
87	Skiing						
88	Swimming						
89	Total Women's Programs	428,142	433,158	447,657	494,947	589,422	564,917
90							
91	Total Expenditures	1,983,209	2,116,572	2,057,961	2,189,432	2,414,205	2,337,000

**College & Universities
Intercollegiate Athletics Report
Summary of Revenues and Expenditures
Lewis-Clark State College**

LCSC

Participants by Sport		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
92	Men's Programs:						
93	Football						
94	Basketball	14	14	10	12	10	13
95	Track & Field/Cross Country	9	13	10	6	16	15
96	Tennis	10	8	9	9	8	16
97	Baseball	47	38	44	44	37	40
98	Wrestling						
99	Golf	12	9	9	5	8	7
100	Volleyball						
101	Rodeo						
102	Total Male Participation	92	82	82	76	79	91
103	Women's Programs						
104	Volleyball	14	13	14	12	13	16
105	Basketball	12	12	10	11	11	11
106	Track & Field/Cross Country	13	17	16	9	15	20
107	Tennis	10	13	11	11	9	16
108	Gymnastics						
109	Golf	7	12	8	10	9	10
110	Soccer						
111	Softball						
112	Skiing						
113	Swimming						
114	Rodeo						
115	Total Female Participation	56	67	59	53	57	73
116	Total Participants	148	149	141	129	136	164

College & Universities
Intercollegiate Athletics Report
Summary of Revenues and Expenditures
Lewis-Clark State College

LCSC

Full Ride Scholarships (Hdct)		FY04 Act	FY05 Act	FY06 Act	FY07 Act	FY08 Act	FY09 Est
117	Men's Programs:						
118	Football	N/A	N/A	N/A	N/A	N/A	N/A
119	Basketball	N/A	N/A	N/A	N/A	N/A	N/A
120	Track & Field/Cross Country	N/A	N/A	N/A	N/A	N/A	N/A
121	Tennis	N/A	N/A	N/A	N/A	N/A	N/A
122	Baseball	N/A	N/A	N/A	N/A	N/A	N/A
123	Wrestling	N/A	N/A	N/A	N/A	N/A	N/A
124	Golf	N/A	N/A	N/A	N/A	N/A	N/A
125	Volleyball	N/A	N/A	N/A	N/A	N/A	N/A
126	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0
127	Women's Programs						
128	Volleyball	N/A	N/A	N/A	N/A	N/A	N/A
129	Basketball	N/A	N/A	N/A	N/A	N/A	N/A
130	Track & Field/Cross Country	N/A	N/A	N/A	N/A	N/A	N/A
131	Tennis	N/A	N/A	N/A	N/A	N/A	N/A
132	Gymnastics	N/A	N/A	N/A	N/A	N/A	N/A
133	Golf	N/A	N/A	N/A	N/A	N/A	N/A
134	Soccer	N/A	N/A	N/A	N/A	N/A	N/A
135	Skiing	N/A	N/A	N/A	N/A	N/A	N/A
136	Softball	N/A	N/A	N/A	N/A	N/A	N/A
137	Swimming	N/A	N/A	N/A	N/A	N/A	N/A
138	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0
139	Total Scholarships	0.0	0.0	0.0	0.0	0.0	0.0
140	Partial Scholarships by Sport (FTE)						
141	Men's Programs:						
142	Football						
143	Basketball	7.07	8.14	5.49	6.64	6.39	6.75
144	Track & Field/Cross Country	2.27	2.14	2.02	1.07	4.87	2.47
145	Tennis	1.69	1.12	4.32	2.19	1.98	2.26
146	Baseball	9.80	10.70	9.89	11.31	11.54	10.65
147	Wrestling						
148	Golf	1.62	2.47	1.57	1.57	2.53	1.95
149	Volleyball						
150	Rodeo						
151	Subtotal	22.45	24.57	23.29	22.78	27.31	24.08
152	Women's Programs						
153	Volleyball	4.56	4.91	4.25	4.45	6.06	4.85
154	Basketball	5.78	3.74	4.70	6.99	6.70	5.58
155	Track & Field/Cross Country	2.79	1.88	2.32	2.52	3.12	2.53
156	Tennis	2.13	2.24	3.22	2.19	1.67	2.29
157	Gymnastics						
158	Golf	1.16	2.87	2.76	1.49	1.43	1.94
159	Soccer						
160	Softball						
161	Skiing						
162	Swimming						
163	Rodeo						
164	Subtotal	16.42	15.64	17.25	17.64	18.98	17.19
165	Total Scholarships	38.87	40.21	40.54	40.42	46.29	41.27

As reported to the NAIA

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Intercollegiate Athletics

Summary of Gender Equity Plans

		Original Base Year FY99	Base Year FY05	Actual FY06	Actual FY07	Actual FY08	Estimate FY09 FY10	
Lewis-Clark State College								
FT Students:	Male	815	990	931	911	947	956	966
	Female	1,108	1,339	1,348	1,343	1,325	1,338	1,352
%	Male	42%	43%	41%	40%	42%	42%	42%
	Female	58%	57%	59%	60%	58%	58%	58%
Athletes:	Male	85	82	82	76	79	73	69
	Female	60	67	57	53	81	66	69
Female Student Athletes Needed		56	44	62	59	30	36	28
%	Male	59%	55%	59%	59%	49%	53%	50%
	Female	41%	45%	41%	41%	51%	47%	50%
Gender Equity Costs		122,640	227,264	211,698	206,541	331,452	283,659	311,471
Anticipated Sources of Revenue:								
Increased Student Fees				The increase in student fee waivers granted by the Board in August 2006 will be the primary source of funding.				
Sport Revenue								
Boosters/Foundation								
Additional State Support								
Total Revenue		0	0	0	0	0	0	0
Costs Less Revenue		122,640	227,264	211,698	206,541	331,452	283,659	311,471
Annual Student Aid								
	Male	298,287	423,849	503,467	566,778	582,170	545,374	568,975
	Female	195,648	277,064	279,772	337,207	476,071	516,024	557,600
Total Annual Student Aid		493,935	700,913	783,239	903,985	1,058,241	1,061,398	1,126,575
Annual Student Aid %								
	Male	60.39%	60%	64%	63%	55%	51%	51%
	Female	39.61%	40%	36%	37%	45%	49%	49%
Total Annual Student Aid %		100.00%	100%	100%	100%	100%	100%	100%
	In-State Fees	2,044	3,392	3,714	3,897	4,092	4,298	4,514
	OST Waiver	4,848	6,240	6,552	6,944	7,290	7,653	8,035
	In-State full ride	6,892	9,632	10,266	10,841	11,382	11,951	12,549
Estimated Increase in Fees							5%	5%
Participants by Sport								
Men's Programs:								
	Football							
	Basketball	12	14	10	12	10	12	12
	Track & Field/Cross Country	5	13	10	6	16	10	10
	Tennis	9	8	9	9	8	8	8
	Baseball	45	38	44	44	37	35	35
	Wrestling							
	Golf	7	9	9	5	8	9	9
	Volleyball							
	Rodeo	7						
Total Male Participation		85	82	82	76	79	74	74
Male Participation %		58.62%	55.03%	58.16%	58.91%	49.38%	50.00%	50.00%
Women's Programs								
	Volleyball	15	13	14	12	13	14	14
	Basketball	13	12	10	11	11	10	10
	Cross Country	9	17	16	9	15	23	23
	Indoor Track & Field					12		
	Outdoor Track & Field					12		
	Tennis	10	13	11	11	9	18	18
	Gymnastics							
	Golf	5	12	8	10	9	9	9
	Soccer							
	Softball							
	Rodeo	8						
	New Sport 1							
	New Sport 2							
Total Female Participation		60	67	59	53	81	74	74
Female Participation %		41.38%	44.97%	41.84%	41.09%	50.63%	50.00%	50.00%
Total Participants		145	149	141	129	160	148	148

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BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

SUBJECT

Intercollegiate Athletics Department, Employee Compensation Report

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections II.H. and III. T.4.

BACKGROUND/ DISCUSSION

In FY97, the Board adopted an annual report on the compensation of the employees of the Intercollegiate Athletic Departments. The report details the contracted salary received by administrators and coaches, bonuses, additional compensation, and perquisites, if applicable. The reports, by institution, include FY08 actual compensation and FY09 estimated compensation.

These reports are for information only and do not require Board action.

IMPACT

Reports athletic employee compensation for FY08 (actual) and FY09 (estimated).

ATTACHMENTS

Attachment 1 - Boise State University FY09	FY08	FY08 Actual	Pages 3-5
		Estimate	Pages 7-9
Attachment 2 - Idaho State University	FY08	Actual	Pages 11-12
		FY09 Estimate	Pages 13-14
Attachment 3 - University of Idaho	FY08	Actual	Pages 15-16
		FY09 Estimate	Pages 17-18
Attachment 4 - Lewis-Clark State College	FY08	Actual	Pages 19-20
		FY09 Estimate	Pages 21-22

STAFF COMMENTS AND RECOMMENDATIONS

The Board has delegated to the Chief Executive Officer of each institution the appointing authority for all athletic department positions, except multi-year contracts for head coaches and athletic directors. The compensation reports identify the contracted salary and any additional compensation and perquisites, if received.

BOARD ACTION

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

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**Intercollegiate Athletics Compensation Report
Boise State University
FY2008 Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonus		Perks			Multi-Yr Contract	All Compensation				
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform	Other	Club Mbership	Car		Other	State Approp.	Program Revenue	All Other	
Athletic Administration																
Gene Bleymaier	Athletic Director	1.00	258,349	0	0	2,500	7,500	36,500	0	Yes	Yes	No	Yes	110,030	192,319	2,500
Curt Apsey	Sr. Assoc AD	1.00	108,368	0	0	1,200	0	0	0	Yes	Yes	No	No		108,368	1,200
Lisa Parker	Sr. Assoc AD	1.00	95,209	0	0	1,200	0	0	0	Yes	Yes	No	No	67,988	27,221	1,200
Bob Madden	Assoc AD	1.00	99,508	0	0	1,200	0	0	0	Yes	Yes	No	No		99,508	1,200
Mike Waller	Assoc AD	1.00	88,047	0	0	1,200	0	0	0	Yes	Yes	No	No		88,047	1,200
Mike Sumpter	Assoc AD	1.00	77,023	0	0	1,200	0	0	6,000	Yes	Yes	No	No		83,023	1,200
Lori Hays	Asst AD - Facilities	1.00	49,297	0	0	0	0	0	500	No	No	No	No		49,797	-
Brad Larrondo	Asst AD - Market & Promo	1.00	56,223	0	0	0	0	0	0	Yes	No	No	No		56,223	-
Gary Craner	Asst AD - Trainer	1.00	59,218	0	0	0	0	0	0	No	No	No	No	59,218	-	-
Anita Guerricabeitia	Asst AD - Tkts	0.84	53,530	0	0	0	0	0	6,000	No	No	No	No		59,530	-
Max Corbet	Asst AD - SID	1.00	54,039	0	0	0	0	0	0	Yes	No	No	No		54,039	-
Gabe Rosenvall	Asst AD - Academics	1.00	49,026	0	0	0	0	0	0	No	No	No	No	49,026	-	-
Nicole Gamez	Business Mgr	1.00	57,512	0	0	0	0	0	0	No	No	No	No		57,512	-
Tim Socha	Strength Coordinator	1.00	71,511	3,416	0	1,500	0	0	0	No	Yes	No	No		71,511	4,916
Valerie Tichenor	Asst to the AD	1.00	59,447	0	0	0	0	0	0	No	No	No	No		59,447	-
Matt Billings	Asst AD - Compliance Directr	1.00	43,514	0	0	0	0	0	0	No	No	No	No		43,514	-
Michel Bourgeau	Advancement	0.50	28,611	0	0	0	0	0	0	No	No	No	No		28,611	-
Kris Kammon	Asst Dir of BAA	1.00	44,970	0	0	0	0	0	0	No	No	No	No		44,970	-
Cindy Satterfield	Assoc Athletic Trainer	1.00	40,602	0	0	0	0	0	0	No	No	No	No	40,602	-	-
Tyler Smith	Asst Athletic Trainer	1.00	36,442	560	0	0	0	0	0	No	No	No	No	36,442	-	560
Jenny Kezele	Asst Athletic Trainer	1.00	34,507	0	0	0	0	0	0	No	No	No	No		34,507	-
Todd Miles	Assistant SID	1.00	40,456	0	0	0	0	0	0	No	No	No	No		40,456	-
Doug Link	Assistant SID	1.00	39,936	0	0	0	0	0	0	No	No	No	No		39,936	-
Michel Railsback	Assistant SID		34,507	0	0	0	0	0	0	No	No	No	No		34,507	-
Andy Atkinson	Information Technology	1.00	57,783	0	0	0	0	0	0	No	No	No	No		57,783	-
Valerie Cleary	Dir of Student-Ath Enhancem	1.00	45,000	0	0	0	0	0	0	No	No	No	No		45,000	-
Chelsie Herman	Academic Advisor	1.00	36,255	0	0	0	0	0	0	No	No	No	No		36,255	-
Eric Kile	Academic Advisor	1.00	36,255	0	0	0	0	0	0	No	No	No	No		36,255	-
Cindy Rice	Accountant	1.00	34,507	0	0	0	0	0	0	No	No	No	No		34,507	-
Shaela Priaulx	Ticket Office Manager	1.00	39,084	0	0	0	0	0	0	No	No	No	No		39,084	-
Adam Parker	Director of Promotions	1.00	35,880	0	0	0	0	0	0	No	No	No	No		35,880	-
Brent Moore	Corp Services Coord	1.00	35,880	0	0	0	0	0	0	No	No	No	No		35,880	-
Brandon Voigt	Asst Athletic Trainer	1.00	36,442	0	0	0	0	0	0	No	No	No	No	36442	-	-
Matt Dimmitt	Video Coordinator	1.00	34,507	0	0	0	0	0	0	No	No	No	No		34,507	-
Jeff Jones	Asst Strength Coach	1.00	32,656	8,719	0	0	0	0	0	No	No	No	No		32,656	8,719
Ron Dibelius	Asst to the AD	1.00	54,996	0	0	0	0	0	0	Yes	Yes	No	No		54,996	-
Ryan Russell	Asst Strength Coach	1.00	35,735	1,200	0	0	0	0	0	No	No	No	No		35,735	1,200

Intercollegiate Athletics Compensation Report
Boise State University
FY2008 Compensation
Page 2

Depart/Name/Title	FTE	Compensation				Contract Bonus		Perks			Multi-Yr Contract	All Compensation				
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car		Other	State Approp.	Program Revenue	All Other	
Men's Sports																
Football																
Chris Peterson	Head Coach	1.00	810,100		124,900	23,500	1,500	42,500	0	Yes	Yes	No	Yes	141,744	837,256	23,500
Chris Strausser	Assistant Coach	1.00	150,010	6,833		1,500	0	9,001	0	No	Yes	No	No		159,011	8,333
Bryan Harsin	Assistant Coach	1.00	141,607	6,833	25,000	1,500	1,500	9,996	0	No	Yes	No	No		178,103	8,333
Justin Wilcox	Assistant Coach	1.00	141,607	6,833	25,000	1,500	1,500	9,996	0	No	Yes	No	No	105,230	72,873	8,333
Viliami Tuivai	Assistant Coach	1.00	83,263	6,833	6,000	1,500	1,500	5,355	0	No	Yes	No	No		96,118	8,333
Marcel Yates	Assistant Coach	1.00	104,104	6,833	8,000	1,500	1,500	6,726	0	No	Yes	No	No		120,330	8,333
Jeff Choate	Assistant Coach	1.00	124,010	6,833		1,500	1,500	7,441	0	No	Yes	No	No	84,497	48,454	8,333
Pete Kwiatkowski	Assistant Coach	1.00	111,156	6,833		1,500	1,500	6,669	0	No	Yes	No	No	49,553	69,772	8,333
Scott Huff	Assistant Coach	1.00	97,615	6,833	4,150	1,500	1,500	6,106	0	No	Yes	No	No		109,371	8,333
Brent Pease	Assistant Coach	1.00	135,026	6,833		1,500	1,500	8,101	0	No	Yes	No	No	52,002	92,625	8,333
Keith Bhonapha	Dir of FB Operations	1.00	52,604	7,700		1,500	0	3,156	0	No	Yes	No	No		55,760	9,200
Basketball																
Greg Graham	Head Coach	1.00	265,020	12,000	0	7,500	5,000	33,000	0	Yes	Yes	No	Yes	139,069	163,951	19,500
Andy McClousky	Assistant Coach	1.00	64,820	7,000	0	1,250	0	6,500	0	No	Yes	No	No		71,320	8,250
Tim Cleary	Assistant Coach	1.00	59,479	7,000	0	1,500	0	6,500	0	No	Yes	No	No		65,979	8,500
Julious Coleman	Assistant Coach	1.00	36,723	7,000	0	1,250	0	6,500	0	No	No	No	No		43,223	8,250
Wrestling																
Greg Randall	Head Coach	1.00	48,423	0	0	0	0	12,000	0	Yes	Yes	No	No		60,423	-
Chris Owens	Assistant Coach	1.00	35,111	0	0	0	0	1,000	0	No	No	No	No		36,111	-
Kirk White	Assistant Coach	1.00	20,863	0	0	0	0	1,000	0	No	No	No	No		21,863	-
Golf																
Kevin Burton	Head Coach	1.00	37,170	631	0	0	0	0	0	Yes	Yes	No	No		37,170	631
Tennis																
Greg Patton	Head Coach	1.00	95,202	0	0	0	4,800	7,000	0	No	Yes	No	No		107,002	-
Morgan Shepard	Assistant Coach	1.00	27,519	3,155	0	0	1,350	1,000	0	No	No	No	No		29,869	3,155
Men/Women's Track & Field																
Mike Maynard	Head Coach	1.00	79,436	0	0	0	0	5,000	0	No	Yes	No	No		84,436	-
David Welch	Assistant Coach	1.00	36,800	0	0	0	0	1,750	0	No	No	No	No	30,976	7,574	-
Petros Kyprianou	Assistant Coach	1.00	35,800	0	0	0	0	1,750	0	No	No	No	No	31,684	5,866	-
Amy Christoffersen	Assistant Coach	1.00	42,036	0	0	0	0	0	0	No	No	No	No	38,833	3,203	-

Intercollegiate Athletics Compensation Report
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			Compensation				Contract Bonus		Perks			Multi-Yr Contract	All Compensation				
			FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership		Car	Other	State Approp.	Program Revenue	All Other
Women's Sports																	
Basketball																	
	Gordon Presnell	Head Coach	1.00	174,900	2,000	5,100	0	3,000	19,000	0	No	Yes	No	Yes	85,711	116,289	2,000
	Ali Payne	Assistant Coach	1.00	55,000	7,000	0	0	1,100	5,600	0	No	Yes	No	No	48,588	13,112	7,000
	Heather Sower	Assistant Coach	1.00	54,863	5,000	0	0	1,100	5,600	0	No	Yes	No	No	40,165	21,398	5,000
	Toriano Towns	Assistant Coach	1.00	55,000	5,000	0	0	1,100	5,600	0	No	No	No	No	-	61,700	5,000
Soccer																	
	Steve Lucas	Head Coach	1.00	49,903	0	0	0	1,400	0	0	No	Yes	No	No	47,983	3,320	-
	TBD	Assistant Coach	1.00	35,092	0	0	0	900	0	0	No	No	No	No	33,742	2,250	-
Volleyball																	
	Robin Davis	Head Coach	1.00	75,744	2,742	0	0	0	0	0	Yes	Yes	No	Yes	72,809	2,935	2,742
	Doug English	Assistant Coach	1.00	36,808	2,742	0	0	0	0	0	No	No	No	No	-	36,808	2,742
	Kelle Bond	Assistant Coach	1.00	37,872	2,742	0	0	0	0	0	No	No	No	No	36,415	1,457	2,742
Gymnastics																	
	Tina Bird	Co-Head Coach	1.00	50,000		0	0	0	0	0	Yes	Yes	No	No	50,000	-	-
	Neil Resnick	Co-Head Coach	1.00	50,000	1,190	0	0	0	0	0	No	No	No	No	50,000	-	1,190
	Patti Murphy	Assistant Coach	1.00	25,000	1,000	0	0	0	0	0	No	No	No	No	-	25,000	1,000
Tennis																	
	Mark Tichenor	Head Coach	1.00	48,631	0	0	0	0	1,000	0	No	No	No	No	48,631	1,000	-
	Hadley McFarland	Assistant Coach	1.00	28,429	0	0	0	0	0	0	No	No	No	No	-	28,429	-
Golf																	
	Nichole Harris	Head Coach	1.00	37,170	631	0	0	0	0	0	Yes	Yes	No	No	37,170	-	631
Swimming																	
	Kristin Hill	Head Coach	1.00	42,328	319	0	0	0	0	0	Yes	Yes	Yes	No	-	42,328	319
	Laurel Hill	Assistant Coach	1.00	23,650	386	0	0	0	0	0	No	No	No	No	-	23,650	386
Softball																	
	Erin Thorpe	Head Coach	1.00	46,500	0	0	0	0	0	0	No	Yes	No	No	0	46,500	-

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**Intercollegiate Athletics Compensation Report
Boise State University
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Depart/Name/Title		Compensation				Contract Bonus				Perks			All Compensation				Annualized Change	
		FTE	Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform	Other	Club Mbership	Car	Other	Multi-Yr Contract	State Approp.	Program Revenue	All Other		
Athletic Administration																		
	Gene Bleymaier	Athletic Director	1.00	266,116	0	0	2,500	8,000	44,000	0	Yes	Yes	No	Yes	122,413	195,703	2,500	3%
	Curt Apsey	Sr. Assoc AD	1.00	125,008	0	0	1,200	0	0	0	Yes	Yes	No	No		125,008	1,200	15%
	Christina Van Tol	Sr. Assoc AD	1.00	85,010	0	0	1,200	0	0	0	Yes	Yes	No	No	85,010	-	1,200	New
	Bob Madden	Assoc AD	1.00	104,500	0	0	1,200	0	0	0	Yes	Yes	No	No		104,500	1,200	5%
	Mike Sumpter	Assoc AD	1.00	81,661	0	0	1,200	0	0	6,000	Yes	Yes	No	No		87,661	1,200	6%
	Mike Waller	Assoc AD	1.00	93,351	0	0	1,200	0	0	0	No	Yes	No	No		93,351	1,200	6%
*	Anita Guerricabeitia	Asst AD - Tkts	0.84	55,168	0	0	0	0	0	6,000	No	No	No	No		61,168	-	4%
	Brad Larrondo	Asst AD - Market & Promo	1.00	58,490	0	0	0	0	0	0	Yes	No	No	No		58,490	-	4%
	Gabe Rosenvall	Asst AD - Academics	1.00	50,503	0	0	0	0	0	0	No	No	No	No	50,503	-	-	3%
	Lori Hays	Asst AD - Facilities	1.00	51,272	0	0	0	0	0	600	No	No	No	No		51,872	-	4%
	Marc Paul	Asst AD - Trainer	1.00	72,010	0	0	0	0	0	0	No	No	No	No	72,010	-	-	New
	Max Corbet	Asst AD - SID	1.00	55,661	0	0	0	0	0	0	No	No	No	No		55,661	-	3%
	Nicole Gamez	Asst AD - Business Mgr	1.00	60,404	0	0	0	0	0	0	No	No	No	No		60,404	-	5%
	TBD	Asst AD - Compliance Dir.	1.00	50,000	0	0	0	0	0	0	No	No	No	No		50,000	-	42%
	Alison Bender	Director of Promotions	1.00	35,548	0	0	0	0	0	0	No	No	No	No		35,548	-	New
	Andy Atkinson	Information Technology	1.00	59,530	0	0	0	0	0	0	No	No	No	No		59,530	-	3%
	AnnMarie Kaus	Special Events Coordinator	1.00	45,012	0	0	0	0	0	0	No	No	No	No		45,012	-	New
	Ashley Tate	Asst Athletic Trainer	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
	Becca Faulds	Assistant SID	1.00	38,002	0	0	0	0	0	0	No	No	No	No		38,002	-	New
	Bob Carney	Dir of Ops - Stueckle Sky Ce	1.00	40,020	0	0	0	0	0	0	No	No	No	No		40,020	-	New
	Brandon Voigt	Asst Athletic Trainer	1.00	37,544	0	0	0	0	0	0	No	No	No	No	37,544	-	-	3%
	Brandon Zimmerman	Accountant	1.00	36,005	0	0	0	0	0	0	No	No	No	No		36,005	-	New
	Brent Moore	Corp Services Coord	1.00	36,962	0	0	0	0	0	0	No	No	No	No		36,962	-	3%
	Chelsie Herman	Academic Advisor	1.00	37,357	0	0	0	0	0	0	No	No	No	No		37,357	-	3%
	Cindy Rice	Senior Accountant	1.00	46,072	0	0	0	0	0	0	No	No	No	No		46,072	-	34% Promotion / title
	Doug Link	Assistant SID	1.00	41,143	0	0	0	0	0	0	No	No	No	No		41,143	-	3%
	Eric Kile	Academic Advisor	1.00	37,357	0	0	0	0	0	0	No	No	No	No		37,357	-	3%
	Eric Thorpe	Asst Dir of Operations	0.75	25,881	2,500	0	0	0	0	0	No	No	No	No		25,881	2,500	New
	Heather Little	HR/Insurance Coordinator	1.00	34,508	0	0	0	0	0	0	no	No	No	No		34,508	-	New
	Jeff Jones	Asst Strength Coach	1.00	33,301	0	0	0	0	0	0	No	No	No	No		33,301	-	2%
	Joshua Dreher	Asst Athletic Trainer	1.00	34,508	0	0	0	0	0	0	No	No	No	No	34,508	-	-	New
	Karen Vickery	Academic Advisor	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
	Kris Kamann	Asst Dir of BAA	1.00	46,322	0	0	0	0	0	0	No	No	No	No		46,322	-	New 3% increase. Not new.
	Matt Dimmitt	Video Coordinator	1.00	34,861	0	0	0	0	0	0	No	No	No	No		34,861	-	1%
*	Michel Bourgeau	Advancement	0.50	29,911	0	0	0	0	0	0	No	No	No	No		29,911	-	5%
	Michele Railsback	Assistant SID	1.00	35,548	0	0	0	0	0	0	No	No	No	No		35,548	-	New
	Ron Dibelius	Asst to the AD	1.00	56,660	0	0	0	0	0	0	Yes	Yes	No	No		56,660	-	3%
	Ryan Becker	Marketing & Promotions	0.75	25,881	0	0	0	0	0	0	No	No	No	No		25,881	-	New
	Ryan Russell	Assoc Strength Coach	1.00	43,597	1,500	0	0	0	0	0	No	No	No	No		43,597	1,500	22% Market cost increase
	Shaela Priaulx	Ticket Office Manager	1.00	40,269	0	0	0	0	0	0	No	No	No	No		40,269	-	3%
	Tim Socha	Strength Coordinator	1.00	78,666	8,857	0	1,500	0	4,292	0	No	Yes	No	No		82,958	10,357	10%
	Tyler Smith	Assoc Athletic Trainer	1.00	41,829	0	0	0	0	0	0	No	No	No	No	41,829	-	-	15% Promotion / title
	Valerie Cleary	Dir of Student-Ath Enhancem	1.00	46,384	0	0	0	0	0	0	No	No	No	No		46,384	-	3%
	Valerie Tichenor	Exec Dir of Stueckle Sky Cer	1.00	62,005	0	0	0	0	0	0	No	No	No	No		62,005	-	4%

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Boise State University
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Depart/Name/Title		FTE	Compensation				Contract Bonus			Perks			All Compensation				Annualized Change	
			Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other	Multi-Yr Contract	State Approp.	Program Revenue	All Other		
Men's Sports																		
Football																		
	Chris Petersen	Head Coach	1.00	810,103	0	124,900	3,500	0	37,500	0	Yes	Yes	No	Yes	141,752	830,751	3,500	New
	Chris Strausser	Assistant Coach	1.00	165,028	8,857	0	1,500	3,000	7,500	0	No	Yes	No	No		175,528	10,357	10%
	Bryan Harsin	Assistant Coach	1.00	155,772	8,857	25,000	1,500	3,000	8,330	0	No	Yes	No	No		192,102	10,357	10%
	Justin Wilcox	Assistant Coach	1.00	155,772	8,857	25,000	1,500	3,000	8,330	0	No	Yes	No	No	115,739	76,363	10,357	10%
	Viliami Tuivai	Assistant Coach	1.00	91,604	8,857	6,000	1,500	3,000	4,463	0	No	Yes	No	No		105,067	10,357	10%
	Marcel Yates	Assistant Coach	1.00	114,525	8,857	8,000	1,500	3,000	5,605	0	No	Yes	No	No		131,130	10,357	10%
	Jeff Choate	Assistant Coach	1.00	136,428	8,857	0	1,500	3,000	6,200	0	No	Yes	No	No		145,628	10,357	10%
	Pete Kwiatkowski	Assistant Coach	1.00	122,304	8,857	0	1,500	3,000	5,558	0	No	Yes	No	No	54,523	76,339	10,357	10%
	Scott Huff	Assistant Coach	1.00	107,391	8,857	4,150	1,500	3,000	5,088	0	No	Yes	No	No		119,629	10,357	10%
	Brent Pease	Assistant Coach	1.00	148,533	8,857	0	1,500	3,000	6,750	0	No	Yes	No	No	57,209	101,074	10,357	10%
	Keith Bhonapha	Dir of FB Operations	1.00	57,866	13,000	0	1,500	3,000	2,630	0	No	Yes	No	No		63,496	14,500	10%
Basketball																		
	Greg Graham	Head Coach	1.00	345,001	12,000	0	7,500	0	0	0	Yes	Yes	No	Yes	285,012	59,989	19,500	30%
	Andy McClousky	Assistant Coach	1.00	74,563	7,000	0	1,250	0	0	0	No	Yes	No	No		74,563	8,250	15%
	Tim Cleary	Assistant Coach	1.00	68,424	7,000	0	1,500	0	0	0	No	Yes	No	No		68,424	8,500	15%
	James Bailey	Assistant Coach	1.00	42,241	0	0	1,250	0	0	0	No	No	No	No		42,241	1,250	New
	Mark Hellenthal	Director of BB Operations	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
Wrestling																		
	Greg Randall	Head Coach	1.00	53,269	1,000	0	0	0	5,000	0	Yes	Yes	No	No		58,269	1,000	10%
	Chris Owens	Assistant Coach	1.00	38,626	500	0	0	0	750	0	No	No	No	No		39,376	500	10%
	Kirk White	Assistant Coach	1.00	22,964	500	0	0	0	750	0	No	No	No	No		23,714	500	10%
Golf																		
	Kevin Burton	Head Coach	1.00	40,893	600	0	0	0	0	0	Yes	Yes	No	No		40,893	600	10%
Tennis																		
	Greg Patton	Head Coach	1.00	98,072	0	0	0	0	2,000	0	No	Yes	No	No		100,072	-	3%
	Morgan Shepherd	Assistant Coach	1.00	28,351	11,548	0	0	0	750	0	No	No	No	No		29,101	11,548	New not new. 3% increase
Men/Women's Track & Field																		
	Mike Maynard	Head Coach	1.00	80,247	0	0	0	0	5,250	0	No	Yes	No	No		85,497	-	1%
	Chris Huffins	Assistant Coach	1.00	45,012	0	0	0	0	0	0	No	No	No	No	40,020	4,992	-	New
	Brad Wick	Assistant Coach	1.00	28,018	0	0	0	0	0	0	No	No	No	No	28,018	-	-	New
	Kelly Watson	Assistant Coach	1.00	32,012	0	0	0	0	0	0	No	No	No	No	32,012	-	-	New

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Depart/Name/Title	FTE	Compensation				Contract Bonus				Perks			All Compensation				Annualized Change
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car	Other	Multi-Yr Contract	State Approp.	Program Revenue	All Other		
Women's Sports																	
Basketball																	
Gordon Presnell	Head Coach	1.00	174,908	0	5,100	0	3,000	10,000	0	No	Yes	No	Yes	134,906	58,102	-	0%
Calamity McEntire	Assistant Coach	1.00	55,019	7,000	0	0	1,000	2,500	0	No	Yes	No	No	48,588	9,931	7,000	New
Heather Sower	Assistant Coach	1.00	54,873	5,000	0	0	1,000	2,500	0	No	Yes	No	No	40,165	18,208	5,000	0%
Toriano Towns	Assistant Coach	1.00	55,019	5,000	0	0	1,000	2,500	0	No	No	No	No		58,519	5,000	0%
Kelley Berglund	Director of BB Operations	1.00	34,508	0	0	0	0	0	0	No	No	No	No		34,508	-	New
Soccer																	
Steve Lucas	Head Coach	1.00	49,904	1,000	0	0	0	0	0	No	Yes	No	No	47,983	1,921	1,000	0%
Mark Hiemenz	Assistant Coach	1.00	35,100	1,000	0	0	0	0	0	No	No	No	No	33,759	1,341	1,000	New
Volleyball																	
Robin Davis	Head Coach	1.00	75,753	5,569	0	0	0	0	0	Yes	Yes	No	Yes	72,809	2,944	5,569	0%
Doug English	Assistant Coach	1.00	36,812	5,569	0	0	0	0	0	No	No	No	No		36,812	5,569	0%
Kelle Bond	Assistant Coach	1.00	37,877	5,569	0	0	0	0	0	No	No	No	No	36,415	1,462	5,569	0%
Gymnastics																	
Neil Resnick	Co Head Coach	1.00	52,021	0	0	0	0	6,000	0	Yes	Yes	No	No	52,021	6,000	-	4%
Tina Bird	Co Head Coach	1.00	52,021	0	0	0	0	6,000	0	Yes	Yes	No	No	52,021	6,000	-	4%
Patti Murphy	Assistant Coach	1.00	26,021	0	0	0	0	1,000	0	No	No	No	No		27,021	-	4%
Tennis																	
Mark Tichenor	Head Coach	1.00	50,586	0	0	0	0	2,000	0	No	No	No	No	50,586	2,000	-	4%
Hadley Hymas	Assistant Coach	1.00	28,351	0	0	0	0	750	0	No	No	No	No		29,101	-	New
Golf																	
Nichole Harris	Head Coach	1.00	38,293	0	0	0	0	0	0	Yes	Yes	No	No	38,293	-	-	3%
Softball																	
Erin Thorpe	Head Coach	1.00	47,674	3,000	0	0	0	0	0	Yes	Yes	No	No		47,674	3,000	New
Justin Kloczko	Assistant Coach	1.00	32,012		0	0	0	0	0	No	No	No	No		32,012	-	New
Swimming																	
Kristin Hill	Head Coach	1.00	45,012	2,315	0	0	0	0	0	Yes	Yes	Yes	No		45,012	2,315	6%
Justin Brosseau	Assistant Coach	1.00	30,015	0	0	0	0	0	0	No	No	No	No		30,015	-	New

Notes:

* Employee works 1 FTE at the University. The FTE and Base Salary on this report reflect the amount of the employee's salary which is funded by Athletics.

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Idaho State University
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Depart/Name/Title	FTE	Compensation				Contract Bonuses			Perks			Multi-Yr Contract	Funding		
		Base Budget Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other
Athletic Administration:															
Paul Bubb	Athl Dir	1.00	131,726		2,500					Yes		No	131,726		2,500
Jeff Tingey	Asst Athl Dir	1.00	54,705									No	54,705		
Jim Kramer	Fiscal Officer	1.00	57,886									No	57,886		
James Von Gunten	Video Coordin	1.00	28,870									No	28,870		
Frank Mercogliano	Asst Athl Dir, Media Rel	1.00	45,614	100								No	45,614		100
Jason Erickson	Asst Sports Inf Dir	1.00	33,010									No	33,010		
Ryan Cromie	Men's Trainer	1.00	32,011	950								No	32,011		950
Jodi Wotowey	Assoc Trainer	1.00	42,016	600								No	42,016		600
Greg O Bray	Asst Trainer	1.00	32,011	1,385								No	32,011		1,385
Thomas Brock	Asst Trainer	1.00	32,656	100								No	32,656		100
David Hofmaier	Stngth Coach	1.00	40,997									No	40,997		
Kaci Williams	Asst Stngth Coach	1.00	26,208									No	26,208		
Matthew Steuart	Dir Acad Service	1.00	34,278									No		34,278	
Nancy Graziano	Assoc Athl Dir / SWA	1.00	64,272									No		64,272	
Michael Pritchett	Market/Prom Dir	1.00	32,802									No		32,802	
Kalee Kopp	Asst Dir Mark/Prom	1.00	24,288									No		24,288	
Donna Hays	Fund Raiser	1.00	39,208									No		39,208	
Larry Lewis	Former Football Coach	1.00	103,002									Yes		103,002	
Bengal Foundation															
Jay McMillin	Dir/Annl Giving	1.00	39,603									No		39,603	
Men's Sports															
Football															
John Zamberlin	Hd Coach	0.91	93,732	3,920	20,000					Yes		Yes	93,732	20,000	3,920
Mike Orthmann	Asst Coach	1.00	46,363	1,860						Yes		No	46,363		1,860
Brandon Valeria	Asst Coach	1.00	25,750	3,375								No	25,750		3,375
Robert Christoff	Asst Coach	1.00	30,014	170								No	30,014		170
Brian Jensen	Asst Coach	1.00	35,547	2,005								No	35,547		2,005
Brian Strandley	Asst Coach	1.00	46,363	2,005						Yes		No	46,363		2,005
Drew Miller	Asst Coach	1.00	28,829	2,005								No	28,829		2,005
Steve Amrine	Asst Coach	1.00	34,403	1,860								No	34,403		1,860
Nick Whitworth	Asst Coach	1.00	29,182	2,005								No	29,182		2,005
Basketball															
Joe O'Brien	Hd Coach	0.96	95,268	616	10,000	2,500				Yes		Yes	95,268	10,000	3,116
Geoffrey Alexander	Asst Coach	1.00	42,016	924		500						No	42,016		1,424
Steve Swanson	Asst Coach	1.00	52,998	924		500				Yes		No	52,998		1,424
Michael Brown	Asst Coach	1.00	32,011			500						No	32,011		500
Tennis															
Robert Goeltz	Hd Coach	0.43	18,468									No	18,468		
Richard Korneck	Asst Coach (GA)		8,000									No	8,000		
Machiko Korneck	Asst Coach (GA)		8,000									No	8,000		
Track & Field															
David Nielsen	Hd Coach	0.46	26,528				481					No	26,528		481

**Intercollegiate Athletics Compensation Report
Idaho State University
FY 2008 Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonuses			Perks			Multi-Yr Contract	Funding		
		Base Budget Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other
Jackie Poulson Asst Coach	0.50	13,104										No	13,104		
Golf David Molitor Hd Coach	0.50	18,845										No	18,845		
Cross Country Brian Janssen Hd Coach	0.50	22,932					420					No	22,932		420
Women's Sports															
Basketball															
Jon Newlee Hd Coach	0.96	77,842	1,500	5,000	1,500		1,646	2,000		Yes		Yes	77,842	5,000	6,646
Gavin Petersen Asst Coach	1.00	38,429	500									No	38,429		500
Jordan Green Asst Coach	1.00	22,818	500									No	22,818		500
Christa Brossman Asst Coach	1.00	24,000	1,000							Yes		No	24,000		1,000
Volleyball															
Mike Welch Hd Coach	0.87	51,995	5,973					4,280		Yes		Yes	51,995		10,253
Mika Robinson Asst Coach	1.00	32,052	2,250									No	32,052		2,250
Tennis															
Robert Goeltz Hd Coach	0.43	18,468										No	18,468		
Richard Korneck Asst Coach (GA)		8,000										No	8,000		
Machiko Korneck Asst Coach (GA)		8,000										No	8,000		
Track & Field															
David Neilsen Hd Coach	0.45	26,528					481					No	26,528		481
Jackie Poulson Asst Coach	0.50	13,104										No	13,104		
Golf David Molitor Hd Coach	0.50	18,845										No	18,845		
Cross Country Brian Janssen Hd Coach	0.50	22,932					420					No	22,932		420
Soccer															
Allison Gibson Hd Coach	1.00	53,498	2,000					4,000		Yes		Yes	53,498		6,000
Hideki Nakada Asst Coach	1.00	25,688	2,000									No	25,688		2,000
Softball															
Larry Stocking Hd Coach	1.00	49,899								Yes			49,899		
Andrea Wilson Asst Coach	0.75	17,753										No	17,753		

**Intercollegiate Athletics Compensation Report
Idaho State University
FY 2009 Estimated Compensation**

Depart/Name/Title		FTE	Compensation			Contract Bonuses			Perks			Multi-Yr Contract	Funding			Annualized Change	Footnote
			Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car		Other	State Approp.	Program Revenue		
Athletic Administration:																	
Jeff Tingey	Interim Athl Dir	1.00	80,018			2,500				Yes		No	80,018		2,500	46.27%	1
Jim Kramer	Asst Athl Dir/ Fisl Ofcr	1.00	60,216									No	60,216			4.03%	
Joel Vickery	Compliance Dir	1.00	39,998									No	39,998			New	
Jerrold Ackley	Video Coordin	0.88	30,526									No	30,526			New	
Frank Mercogliano	Asst Athl Dir, Media Rel	1.00	47,902									No	47,902			5.02%	
Katie Zigars	Asst Sports Inf Dir	0.92	31,853									No	31,853			New	
Jodi Wotowey	Hd Athl Trainer	1.00	43,701	600								No	43,701		600	4.01%	1
Ryan Cromie	Asst Trainer	0.96	33,180									No	33,180			7.97%	2
Greg O Bray	Asst Trainer	0.96	33,180	190								No	33,180		190	7.97%	2
Thomas Brock	Assist Trainer	0.96	33,180	340								No	33,180		340	5.84%	2
Mark Campbell	Stngth Coach	1.00	41,413									No	41,413			New	
Matthew Steuart	Dir Acad Service	1.00	36,005									No		36,005		5.04%	
Nancy Graziano	Assoc Athl Dir / SWA	1.00	66,206									No	66,206			3.01%	
Kalee Kopp	Asst Dir Market/Prom	1.00	34,507									No		34,507		42.08%	1
Donna Hays	Fund Raiser	1.00	40,789									No		40,789		4.03%	1
Bengal Foundation																New	
Jay McMillin	Dir/Annl Giving	1.00	41,205									No		41,205		4.04%	1
Men's Sports																	
Football																	
John Zamberlin	Hd Coach	0.91	94,678	3,881	20,000					Yes		Yes	94,678	20,000	3,881	1.01%	
Mike Orthmann	Asst Coach	1.00	47,757	1,550						Yes		No	47,757		1,550	3.01%	
Brandon Valeria	Asst Coach	1.00	27,040	1,200								No	27,040		1,200	5.01%	
Junior Falevai	Asst Coach	1.00	30,930	415								No	30,930		415	New	
Brian Jensen	Asst Coach	1.00	36,629	700								No	36,629		700	3.04%	
Brian Strandley	Asst Coach	1.00	47,757	700						Yes		No	47,757		700	3.01%	
Drew Miller	Asst Coach	1.00	29,994	1,550								No	29,994		1,550	4.04%	
Steve Amrine	Asst Coach	1.00	35,443	700								No	35,443		700	3.02%	
Nick Whitworth	Asst Coach	1.00	30,077	1,550								No	30,077		1,550	3.07%	
Basketball																	
Joe O'Brien	Hd Coach	0.96	98,128		10,000	2,500		2,500		Yes		Yes	98,128	10,000	5,000	3.00%	
Geoffrey Alexander	Asst Coach	1.00	43,701	1,250	500							No	43,701		1,750	4.01%	
Steve Swanson	Asst Coach	1.00	54,600	1,250	500					Yes		No	54,600		1,750	3.02%	
Michael Brown	Asst Coach	1.00	32,989	1,250	500							No	32,989		1,750	3.05%	
Tennis																	
Robert Goeltz	Hd Coach	0.43	19,027									No	19,027			3.02%	
Marc Pijoan	Asst Coach	0.21	6,006									No	6,006			New	
Track & Field																	
David Nielsen	Hd Coach	0.46	27,597									No	27,597			4.03%	
Jackie Poulson	Asst Coach	0.50	13,239									No	13,239			1.03%	
Golf																	
David Molitor	Hd Coach	0.50	19,042									No	19,042			1.05%	
Cross Country																	
Brian Janssen	Hd Coach	0.50	23,629									No	23,629			3.04%	

**Intercollegiate Athletics Compensation Report
Idaho State University
FY 2009 Estimated Compensation**

Depart/Name/Title	FTE	Compensation				Contract Bonuses			Perks			Multi-Yr Contract	Funding			Annualized Change	Footnote
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Acad Perform.	Club Mbership	Car	Other		State Approp.	Program Revenue	All Other		
Women's Sports																	
Basketball																	
Seton Sebolewski	Hd Coach	0.96	82,614		5,000	450				Yes		Yes	82,614	5,000	450	New	
Angela Munger	Asst Coach	1.00	41,184			350						No	41,184		350	New	
Jordan Green	Asst Coach	1.00	28,080			350						No	28,080		350	23.06%	1
Holly Robertson	Asst Coach	1.00	23,920			350						No	23,920		350	New	
Volleyball																	
Chad Teichert	Hd Coach	0.91	50,065	3,250								Yes	50,065		3,250	New	
David HYTE	Asst Coach	1.00	35,589									No	35,589			New	
Tennis																	
Robert Goeltz	Hd Coach	0.43	19,027									No	19,027			3.02%	
Marc Pijoan	Asst Coach	0.21	6,006									No	6,006			New	
Track & Field																	
David Neilsen	Hd Coach	0.45	27,597									No	27,597			4.03%	
Jackie Poulson	Asst Coach	0.50	13,239									No	13,239			1.03%	
Golf																	
David Molitor	Hd Coach	0.50	19,042									No	19,042			1.05%	
Cross Country																	
Brian Janssen	Hd Coach	0.50	23,629									No	23,629			3.04%	
Soccer																	
Allison Gibson	Hd Coach	1.00	55,640	6,000				1,500		Yes		Yes	55,640		7,500	4.00%	
Hideki Nakada	Asst Coach	1.00	26,728									No	26,728			4.05%	
Lyndsay Massengale	Asst Coach	1.00	17,745									No		17,745		New	
Softball																	
Larry Stocking	Hd Coach	1.00	23,724									Yes	23,724			-52.46%	1
Andrea Wilson	Hd Coach Interim	1.00	43,109									No	43,109			82.12%	1
Shelly Prochaska	Asst Coach Interim	1.00	19,327									No	19,327			New	

Footnote

- 1 Duty Change
- 2 FTE change

Include all budgeted exempt positions. Compensation includes all payments made through the college/universities payroll system.

If a coach has an agreement with an apparell company, cash payments (payroll) should be reported as compensation. Report the value of of clothes and equipment that you know coaches receive in the Perks--Other column. Payments from the foundation should be reported in the other column. Indicate "Yes" or "No" if department employees have an assigned car. If there has been turnover in a position, the FTE should reflect the percent of time employed.

University of Idaho
FY2008 Compensation

		Compensation					Contract Bonus			Other		All Compensation			
		Base	Camps/		Equip Co	Grad	Winning		Club		Multi-Yr	State	Program	All	
Depart/Name/Title		FTE	Salary	Clinics	Media	& Other^A	Rate	Perform.	Other	Memb.	Car	Contract	Approp.	Revenue	Other
Athletic Administration:															
	Rob Spear	Athletic Dire	1.00	163,465		15,000				yes	yes	yes		179,065	
	John Wallace	Dir. of Com	1.00	68,776										69,166	
	Becky Paull	Dir. Med. R	1.00	49,445										49,745	
	Ian Klei	Asst. Med F	1.00	33,734										33,974	
	Megan Borchert	Asst Trainee	1.00	39,094	850									39,334	850
	Nick Refvem	Asst Trainee	1.00	39,094	400									39,334	400
	Barrie Steele	Hd Trainer	1.00	68,926										69,226	
	Rick Darnell	Assoc AD	0.23	10,936	*					yes				11,686	
	Tim Mooney	Assoc AD	0.19	11,060						yes				11,202	
	Matt Leituala	Dir. Acad.	1.00	53,303										53,543	
	Chris Dyko	Assoc Dir.A	0.04	3,794										3,794	
	Scott Gadeken	Strength Cc	1.00	47,171	1,200									47,471	1,200
	Chad Chronister	Asst Stren	0.23	9,904	*									9,904	
	Joe Herold	Asst Stren	0.92	31,161										31,161	
	Matt Kleffner	Sr. Assoc A	1.00	82,487		2,500								85,377	
	Sam Teevens	Video Coord.	1.00	43,537	1,500									43,777	1,500
	Maureen Taylor	Asst. AD	1.00	52,966										53,356	
	Devon Thomas	Dir. Mar/Prc	1.00	47,154										47,544	
	Carlos Loaiza	Dir. Equip F	0.92	40,627										40,927	
	Mahmood Sheikh	Asst. AD/Dc	0.50	35,551	^					yes				35,941	
	Shelly Femreite	Devl. Coord.	0.50	20,621	^					yes				21,011	
	Nat Reynolds	Devl. Coord.	0.46	19,440	^									19,830	
	Andrea Niehenke	Devl. Coord.	0.85	32,870										32,870	
Men's Sports															
Football															
	Robb Akey	Hd Coach	0.50	160,741		85,000				yes	yes	yes	161,641	85,000	0
	Steve Axman	Assistant	0.46	113,052	2,875	5,000					yes		113,952	5,000	2,875
	Jonathan Smith	Assistant	1.00	51,863	7,350						yes		52,763	0	7,350
	Johnny Nansen	Assistant	1.00	46,671	3,225						yes		47,571	0	3,225
	Mark Criner	Assistant	1.00	108,899	2,875						yes		109,799	0	2,875
	Rod Plummer	Assistant	1.00	57,056	2,225						yes		57,956	0	2,225
	Luther Carr	Assistant	1.00	42,537	3,225						yes		43,437	0	3,225
	Patrick Libey	Assistant	1.00	41,519	3,225						yes		42,419	0	3,225
	Al Genatone	Assistant	1.00	41,499	3,225						yes		42,399	0	3,225
	Dan Finn	Assistant	1.00	41,499	3,225						yes		42,399	0	3,225
	Mark Vaught	Dir. of FB C	0.42	14,410	2,000								15,310	0	2,000
Basketball															
	Don Verlin	Hd Coach	0.23	27,473							yes		27,973	0	0
	George Pfeifer	Hd Coach	1.00	99,985		45,000					yes	yes	100,235	45,000	0
	Leroy Washington	Assistant	1.00	57,150		16,500					yes		57,400	16,500	0
	Brian Hancock	Assistant	1.00	46,595		5,000					yes		46,845	5,000	0
	Mike Score	Assistant	1.00	48,505		15,000					yes		49,255	15,000	0
	Mike Burns	Assistant	0.23	13,169							yes		13,669	0	0
	Mike Freeman	Assistant	0.23	9,230							yes		9,730	0	0
Men's Track & XC															
	Wayne Phipps	Hd Coach	1.00	47,588		8,000		2,000				yes	47,978	8,000	0
	Julie Taylor	Assistant	0.50	16,387									16,687	0	0
	Angela Whyte	Assistant	0.54	3,957									3,957	0	0

University of Idaho
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Depart/Name/Title		FTE	Compensation				Contract Bonus			Other		Multi-Yr Contract	All Compensation		
			Base	Camps/		Equip Co	Grad	Winning		Club			State	Program	All
			Salary	Clinics	Media	& Other^^	Rate	Perform.	Other	Memb.	Car		Approp.	Revenue	Other
Golf															
Brad Rickel	Hd Coach	0.10	6,326	*		1,375				yes	yes		6,326	1,375	0
Lisa Johnson	Hd Coach	0.43	19,043				300						19,343	0	0
Lisa Johnson	Assistant	0.06	1,443										1,443	0	0
Jon Reehoorn	Assistant	0.40	10,909										10,909	0	0
Tennis															
Jeff Beaman	Hd Coach	0.50	17,403				300						17,703	0	0
Women's Sports															
Basketball															
Mike Divilbiss	Hd Coach	1.00	90,001			15,000	230			yes	yes	yes	90,231	15,000	0
Jon Newlee	Hd Coach	0.15	13,846				345				yes		14,191	0	0
Alison Chase	Assistant	1.00	46,706		2,200		230				yes		46,936	0	2,200
Gavin Petersen	Assistant	0.15	7,692				345				yes		8,037	0	0
Jeff Crouse	Assistant	1.00	43,236		2,200		230				yes		43,466	0	2,200
Christa Sanford	Assistant	0.15	5,385				345				yes		5,730	0	0
Women's Track & XC															
Yogi Teevens	Hd Coach	1.00	53,217				600		2,000			yes	53,817	0	0
Julie Taylor	Assistant	0.50	16,387				300						16,687	0	0
Angela Whyte	Assistant		3,957										3,957	0	0
Volleyball															
Debbie Buchanan	Hd Coach	1.00	86,296		7,500	15,000	510	5,850			yes	yes	86,806	15,000	7,500
Mike Bryant	Assistant	1.00	38,783		4,450	7,000	510				yes		39,293	7,000	4,450
Moritz Moritz	Assistant	1.00	31,828		5,000	3,000	510						32,338	3,000	5,000
Women's Soccer															
Peter Showler	Hd Coach	1.00	38,158		1,100	6,000	600				yes		38,758	6,000	1,100
Morgan Crabtree	Assistant	0.88	23,116	*	1,100		390						23,506	0	1,100
Katie Schoene	Assistant	0.08	1,912										1,912	0	0
Women's Golf															
Brad Rickel	Hd Coach	0.10	6,326	*		1,375					yes	yes	6,326	1,375	0
Lisa Johnson	Hd Coach	0.43	19,043				300						19,343	0	0
Lisa Johnson	Assistant	0.06	1,443				390						1,833	0	0
Jon Reehoorn	Assistant	0.40	10,909										10,909	0	0
Tennis															
Jeff Beaman	Hd Coach	0.50	17,403				300						17,703	0	0
Women's Swimming															
Tom Jager	Hd Coach	1.00	51,818			15,000	600	500			yes	yes	52,418	15,000	0

*includes annual leave payout

^ .50 paid by Advancement

^^includes cell phone stipend

University of Idaho

FY2009 Estimated Compensation

Depart/Name/Title	FTE	Compensation				Contract Bonus			Other		Multi-Yr Contract	All Compensation				
		Base Salary	Camps/ Clinics	Media	Equip Co & Other%	Grad Rate	Winning Perform.	Other	Club Memb.	Car		State Approp.	Program Revenue	All Other	Annualized Change	
Athletic Administration:																
Rob Spear	Athletic Director	1.00	169,808			15,000	1,500			yes	1/2 year	yes	0	186,308	0	4%
John Wallace	Dir. of Compl.	1.00	73,852				780						0	74,632	0	7%
Becky Paull	Dir. Med. Rel	1.00	49,963				600						0	50,563	0	1%
Ian Klei	Asst. Med Rel	1.00	34,418				480						0	34,898	0	2%
Megan Borchert	Asst Trainer	1.00	40,286		850		480						0	40,766	850	3%
Nick Refvem	Asst Trainer	1.00	40,304				480						0	40,784	0	3%
Barrie Steele	Hd Trainer	1.00	71,076				600						0	71,676	0	3%
Mooney, Tim	Assoc AD	1.00	105,024				1,500			yes			0	106,524	0	New
Melanie Thomas	Coor. Acad. S	0.12	3,889										0	3,889	0	New
David Potter	Coor. Acad. S	0.62	19,973				480						0	20,453	0	New
Ana Tuiaaea-Ruud	Coor. Acad. S	1.00	34,834				480						0	35,314	0	New
Matt Leituala	Dir. Acad.	1.00	53,381				600						0	53,981	0	0%
Joe Herold	Asst. Strength	1.00	34,738										0	34,738	0	3%
Scott Gadeken	Strength Coac	1.00	48,617		800		420						0	49,037	800	3%
Matt Kleffner	Sr. Assoc AD	1.00	8,581			2,500	780						0	11,861	0	-90%
Sam Teevens	Video Coor.	1.00	44,877		800		480						0	45,357	800	3%
Maureen Regan	Asst. AD	1.00	54,621				780						0	55,401	0	New
VACANT	Dir. Mar/Prom	0.20	9,000				96						0	9,096	0	New
Devon Thomas	Dir. Mar/Prom	0.04	5,152	*									0	5,152	0	173%
Carlos Loaiza	Dir. Equip Rm	0.15	9,090	*									0	9,090	0	37%
VACANT	Dir. Equip Rm	0.25	11,250				120						0	11,370	0	New
Megan Freshour	Asst. Equip Rr	1.00	33,794				480						0	34,274	0	New
VACANT	Devl. Coor.	0.40	12,000				312						0	12,312	0	New
^ Mahmood Sheikh	Asst. AD/Dev	0.15	9,050	*						yes			0	9,050	0	-15%
^ Shelly Robson	Devl. Coor.	0.50	19,762				780			yes			0	20,542	0	New
VACANT	Devl. Coor.	0.30	10,500				234						0	10,734	0	New
^ Nat Reynolds	Devl. Coor.	0.42	21,358				780						0	22,138	0	20%
Men's Sports																
Football																
Robb Akey	Hd Coach	1.00	165,611		1,500	85,000	1,800			yes	yes	yes	167,411	85,000	1,500	-48%
Steve Axman	Assistant	1.00	116,474		1,000	1,400	1,800				yes		118,274	1,400	1,000	-53%
Jonathan Smith	Assistant	1.00	53,438		4,125		1,800				yes		55,238	0	4,125	3%
Johnny Nansen	Assistant	0.50	35,065	*	1,650		925				yes		35,990	0	1,650	50%
VACANT	Assistant	0.42	24,893				756				yes		25,649	0	0	New
Mark Criner	Assistant	1.00	112,194		1,000		1,800				yes		113,994	0	1,000	3%
Rod Plummer	Assistant	0.08	9,145	*							yes		9,145	0	0	100%
Jeremy Thielbahr	Assistant	0.88	38,499				1,584				yes		40,083	0	0	New
Luther Carr	Assistant	1.00	44,020		1,650		1,800				yes		45,820	0	1,650	3%
Patrick Libey	Assistant	1.00	43,901		2,250		1,800				yes		45,701	0	2,250	6%
Al Genatone	Assistant	1.00	43,899		1,650		1,800				yes		45,699	0	1,650	6%
Dan Finn	Assistant	1.00	43,899		1,650		1,800				yes		45,699	0	1,650	6%
Mark Vaught	Dir. of FB Ops	1.00	32,580		4,125		1,800						34,380	0	4,125	-5%
Basketball																
Don Verlin	Hd Coach	1.00	117,000			60,000	1,500			yes	yes	yes	118,500	60,000	0	-2%
George Pfeifer	Hd Coach	0.23	68,073	**							yes		68,073	0	0	196%
Mike Burns	Assistant	0.04	1,385								yes		1,385	0	0	-40%
Ray Lopes	Assistant	0.98	78,478				1,500				yes		79,978	0	0	New
Leroy Washington	Assistant	0.04	2,204								yes		2,204	0	0	-4%
Hancock, Brian	Assistant	0.04	1,798								yes		1,798	0	0	New
Mike Score	Assistant	1.00	61,985			20,000	1,500				yes		63,485	20,000	0	28%
Mike Freeman	Assistant	1.00	25,001			10,000	1,500				yes		26,501	10,000	0	-38%

Intercollegiate Athletics Compensation Report

University of Idaho

FY2009 Estimated Compensation

Depart/Name/Title		FTE	Compensation		Camps/ Clinics	Media	Equip Co & Other%	Contract Bonus			Other		Multi-Yr Contract	All Compensation			
			Base Salary					Grad Rate	Winning Perform.	Other	Club Memb.	Car		State Approp.	Program Revenue	All Other	Annualized Change
Men's Track & XC																	0
Wayne Phipps	Hd Coach	1.00	48,410			8,000	1,200		2,000				yes	49,610	8,000	0	2%
Julie Taylor	Assistant	0.50	16,538				390							16,928	0	0	1%
VACANT	Assistant													0	0	0	New
Golf																	0
Jon Reehoorn	Head Coach	1.00	35,774				1,200							36,974	0	0	31%
Tennis																	0
Jeff Beaman	Hd Coach	0.50	18,111				600							18,711	0	0	4%
																	0
Women's Sports																	0
Basketball																	0
Jon Newlee	Hd Coach	1.00	90,001			15,000	1,380				yes		yes	91,381	15,000	0	-2%
Mike Divilbiss	Hd Coach	1.00	39,000	^^										39,000	0	0	-57%
Gavin Petersen	Assistant	1.00	50,003				1,380				yes			51,383	0	0	-2%
Alison Chase	Assistant	0.04	1,798											1,798	0	0	-4%
Christa Sanford	Assistant	1.00	35,006				1,380				yes			36,386	0	0	-2%
Jeff Crouse	Assistant	0.04	1,664											1,664	0	0	-4%
Karen Piers	Assistant	0.81	20,193				1,117				yes			21,310	0	0	New
Women's Track & XC																	0
Yogi Teevens	Hd Coach	1.00	53,575				1,200		2,000				yes	54,775	0	0	1%
Julie Taylor	Assistant	0.50	16,538				390							16,928	0	0	1%
VACANT	Assistant																0
Volleyball																	0
Debbie Buchanan	Hd Coach	1.00	82,940		4,000	15,000	1,320	6,202			yes		yes	84,260	15,000	4,000	-4%
Mike Bryant	Assistant	0.10	6,417	*							yes			6,417	0	0	65%
Steve Whitaker	Assistant	0.88	31,335			5,000	1,162				yes			32,497	5,000	0	New
Moritz Moritz	Assistant	1.00	36,872		4,000	5,000	1,320							38,192	5,000	4,000	16%
Women's Soccer																	0
Peter Showler	Hd Coach	1.00	37,647		3,500	6,000	1,200			833	yes		yes	38,847	6,000	3,500	-1%
Katie Schoene	Assistant	1.00	24,856		2,500		780							25,636	0	2,500	4%
Women's Golf																	0
Lisa Johnson	Head Coach	1.00	40,400										yes	40,400	0	0	-9%
Tennis																	0
Jeff Beaman	Hd Coach	0.50	18,111				600						yes	18,711	0	0	4%
Women's Swimming																	0
Tom Jager	Hd Coach	1.00	53,458			15,000	1,200				yes		yes	54,658	15,000	0	3%

^balance paid by Development

*includes Annual leave payout

**includes contract payoff

^^contract agreement to pay until end of FY

%includes cell phone stipend

Intercollegiate Athletics Compensation Report

Lewis-Clark State College

FY 2008 Compensation

Depart/Name/Title	FTE	Compensation				Contract Bonus			Other		All Compensation			
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Memb.	Car	Multi-Yr Contract	State Approp.	Program Revenue	All Other
Athletic Administration:														
Gary Picone	Director, Athletics	1.00	67,907						No	Yes	No	39,386		28,521
Brooke Cushman	Asst. Director	1.00	42,000						No	No	No	21,000		21,000
Tracy Collins	Trainer	1.00	36,503						No	No	No	36,503		
Cindi Durgan	Athl Devl Officer	1.00	38,570						No	No	No	38,570		
Jasmine King	Admin. Asst. 1	1.00	22,963						No	No	No	22,963		
Julee King	Admin. Asst. 1	1.00	30,259						No	No	No	10,288		19,971
Men's Sports														
Basketball														
Tim Walker	Head Coach	1.00	44,338	8,700					No	Yes	No	44,338	8,700	
Pete VanMullem	Asst. Coach	0.17	5,400	1,000					No	No	No		6,400	
Baseball														
Ed Cheff	Head Coach	1.00	80,327						No	Yes	No	80,327		
Gus Knickrehm	Asst. Coach	1.00	36,712						No	No	No	36,712		
Mike Madrid	Asst. Coach	0.24	7,585						No	No	No		849	6,736
Matt Vogel	Asst. Coach	0.08	2,500						No	No	No		2,500	
Cross-Country														
Mike Collins	Head Coach	0.10	7,802						No	No	No	6,687	1,115	
Tennis														
Kai Fong	Head Coach	0.14	6,279						No	No	No	6,279		
Golf														
Paul Thompson	Head Coach	0.12	7,770						No	No	No	7,770		
Steve Tilden	Asst. Coach	0.08	2,500						No	No	No		2,500	

Intercollegiate Athletics Compensation Report

Lewis-Clark State College

FY 2008 Compensation

Page 2

Depart/Name/Title	FTE	Compensation				Maximum Contract Bonuses			Perks		Multi-Yr Contract	All Compensation		
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car		State Approp.	Program Revenue	All Other
Women's Sports														
Basketball														
Brian Orr Head Coach	1.00	46,068	9,800						No	Yes	No	46,068	9,800	
Robin Bogar Asst. Coach	0.19	6,000							No	No	No		6,000	
Cross-Country														
Mike Collins Head Coach	0.10	7,796							No	No	No	6,681	1,115	
Track														
Mike Collins Head Coach	0.08	6,114							No	No	No	5,000	1,114	
Volleyball														
Jennifer Greeny Head Coach	1.00	42,400							No	Yes	No	42,400		
Amy Flaig Asst. Coach	0.06	2,000							No	No	No		2,000	
Burdette Greeny Asst. Coach	0.15	4,787											4,787	
Tennis														
Kai Fong Head Coach	0.14	6,279							No	No	No	6,279		
Golf														
Paul Thompson Head Coach	0.18	11,655							No	No	No	11,655		
Steve Tilden Asst. Coach	0.08	2,500							No	No	No		2,500	

Intercollegiate Athletics Compensation Report

Lewis-Clark State College

FY 2009 Estimated Compensation

Depart/Name/Title	FTE	Compensation				Contract Bonus			Other		Multi-Yr Contract	All Compensation			Annualized Change
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Memb.	Car		State Approp.	Program Revenue	All Other	
Athletic Administration:															
Gary Picone	Director, Athletics	1.00	69,944						No	Yes	No	40,567		29,377	3%
Brooke Cushman	Asst. Director	1.00	43,260						No	No	No	21,630		21,630	3%
Tracy Collins	Trainer	1.00	37,598						No	No	No	37,598			3%
Burdette Greeny	Trainer Asst.	0.62	20,000						No	No	No			20,000	0%
Cindi Durgan	Athl Devl Officer	1.00	39,727						No	No	No	39,727			3%
Jasmine King	Admin. Asst. 1	1.00	23,652						No	No	No	23,652			3%
Julee King	Admin. Asst. 1	1.00	31,167						No	No	No	10,597		20,570	3%
Men's Sports															
Basketball															
Tim Walker	Head Coach	1.00	45,669	8,700					No	Yes	No	45,669	8,700		3%
Tim Collins	Asst. Coach	0.16	5,000						No	No	No		5,000		0%
Pete VanMullem	Asst. Coach	0.09		3,000					No	No	No		3,000		0%
Baseball															
Ed Cheff	Head Coach	1.00	82,737						No	Yes	No	82,737			3%
Gus Knickrehm	Asst. Coach	1.00	37,814						No	No	No	37,814			3%
Allen Balmer	Asst. Coach	0.66	21,200						No	No	No		2,756	18,444	0%
Cross-Country															
Mike Collins	Head Coach	0.09	8,035						No	No	No	6,887	1,148		3%
Tennis															
Kai Fong	Head Coach	0.14	6,467						No	No	No	6,467			3%
Golf															
Paul Thompson	Head Coach	0.12	8,003						No	No	No	8,003			3%
Steve Tilden	Asst. Coach	0.08	2,500						No	No	No		2,500		0%

Intercollegiate Athletics Compensation Report

Lewis-Clark State College

FY 2009 Estimated Compensation

Page 2

Depart/Name/Title	FTE	Compensation				Maximum Contract Bonuses			Perks		Multi-Yr Contract	All Compensation		
		Base Salary	Camps/ Clinics	Media	Equip Co & Other	Grad Rate	Winning Perform.	Other	Club Mbership	Car		State Approp.	Program Revenue	All Other
Women's Sports														
Basketball														
Brian Orr Head Coach	1.00	47,451	9,800						No	Yes	No	47,451	9,800	3%
Robin Bogar Asst. Coach	0.19	6,000	500						No	No	No		6,500	8%
Cross-Country														
Mike Collins Head Coach	0.09	8,030							No	No	No	6,882	1,148	3%
Track														
Mike Collins Head Coach	0.13	11,298							No	No	No	10,149	1,149	8%
Volleyball														
Jennifer Greeny Head Coach	1.00	43,672							No	Yes	No	43,672		3%
Burdette Greeny Asst. Coach	0.16	5,000							No	No	No		5,000	4%
Tennis														
Kai Fong Head Coach	0.14	6,467							No	No	No	6,467		3%
Golf														
Paul Thompson Head Coach	0.18	12,005							No	No	No	12,005		3%
Steve Tilden Asst. Coach	0.08	2,500							No	No	No		2,500	0%

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

SUBJECT

2008 College and Universities' Financial Reviews

BACKGROUND/DISCUSSION

The Business Affairs and Human Resources Committee has been working on several financial ratios to reflect the financial health and efficiency of the college and universities. Also, staff intended to present the Net Asset Balance reports to the Board in December 2008 along with the Audit agenda review. That review was postponed, so the Net Asset Balance reports are presented along with the financial ratios.

The ratios presented measure the financial health of the institution and include the composite index comprised of four ratios. It is important to note the ratios are designed as a management tool to measure financial activity and trends within an institution. They do not lend themselves to comparative analysis between institutions because of the varying missions and current initiatives taking place at a given institution.

Ratio Measure		Benchmark
Primary reserve	Sufficiency of resources and their flexibility; good measure for net assets	.40
Viability	Capacity to repay total debt through reserves	1.25
Return on net assets	Whether the institution is better off financially this year than last	6.00%
Net operating revenues	Whether institution is living within available resources	2.00%
Composite Index	Combines four ratios using weighting	3.0

The financial ratio selected to indicate efficiency is the Instructional Cost per Credit Hour. This number is calculated by dividing the instructional costs by both the un-weighted and weighted credit hours. Weighted credit hours are included to account for the differing costs to deliver those credits. The same weights are used in the Enrollment Workload Adjustment (EWA) formula to provide more EWA funding for the higher weighted courses.

Finally, the history of net asset balances is shown from FY 2002 through FY 2008.

Each institution's financial information is contained in a separate section. The institutions will present a brief analysis of the information and be available for questions by the Board.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

IMPACT

The ratios and analyses are provided in order for the Board to review the financial health of each institution and to show the relative efficiency of its instructional programs. The net asset balances history shows the change in balances from FY 2002 through FY 2008. The net assets are broken down as follows:

Invested in capital assets, net of related debt:	This represents the University's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included.
Restricted, expendable	This represents resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.
Restricted, nonexpendable	This represents endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.
Unrestricted	This represents resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. Not all source of revenues noted above are necessarily present in the unrestricted balance, i.e. state General Funds are normally spent in the fiscal year appropriated, and not carried over into the following fiscal year.

Within unrestricted net assets, the institutions reserve funds for the following:

Various Department Fund Balances: Department Fund Balances are derived from operations for such areas as Auxiliarys, Academic and Service Departments, Research, and Professional-Technical Education. These funds are held to be used in their respective departments, but can and have been used for any purpose at the discretion of the institution.

Reserved for Library Acquisitions: These funds are used to assist in the acquisition and replacement of library materials and to stay abreast of technology changes in the way the library is accessed and used. These funds can and have been used for any purpose at the discretion of the institution.

Reserved for Capital Projects, M &O, and Initiatives: These funds are reserved for capital projects, ongoing maintenance, facility repair and replacement, and start-up costs related to strategic mission. These funds can and have been used for any purpose at the discretion of the institution.

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

ATTACHMENTS

BSU Tab 3a	
Financial Ratios	Page 1
Cost of Instruction per Credit Hour	Page 2
Net Asset Balances	Page 3
ISU Tab 3b	
Financial Ratios	Page 1
Cost of Instruction per Credit Hour	Page 2
Net Asset Balances	Page 3
UI Tab 3c	
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Cost of Instruction per Credit Hour	Page 2
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LCSC Tab 3d	
Financial Ratios	Page 1
Cost of Instruction per Credit Hour	Page 2
Net Asset Balances	Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The institutions will present a brief analysis of the financial ratios and history of unrestricted net assets.

An increase in unrestricted net assets and the amount of unrestricted net assets per student FTE can be viewed in comparison to the primary reserve ratio. Some institutions have increased their reserves but they are still under the benchmark of .40. This may be due to the fact they are building reserves to be more in line with industry standards. You can compare this to an institution that continues to increase their reserves at the same time they are well above the benchmark of .40

The cost of instruction per credit hour, adjusted for inflation, reflects that some institutions are experiencing increasing costs for instruction while others are relatively flat. Increasing costs per credit hour may be due to several factors including declining enrollment and the inability to reduce related labor costs in such times, fixed vs. variable costs, declining or mandated faculty to student ratios, increasing inflationary costs such as energy, and increasing salaries and benefits.

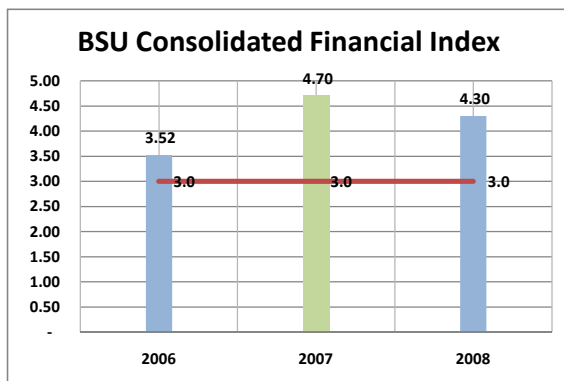
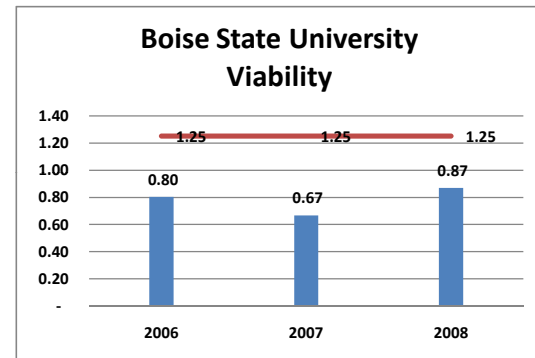
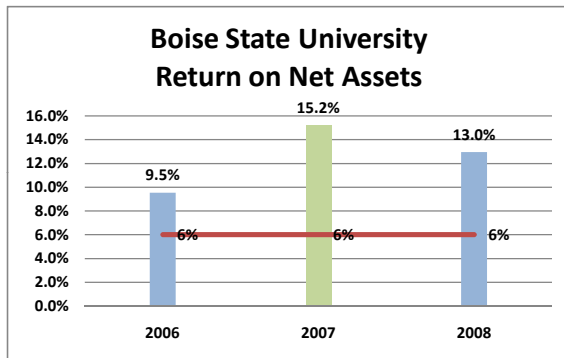
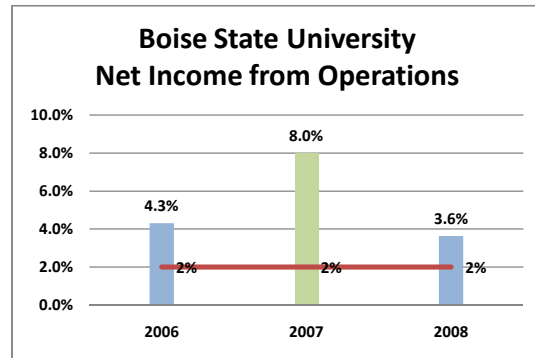
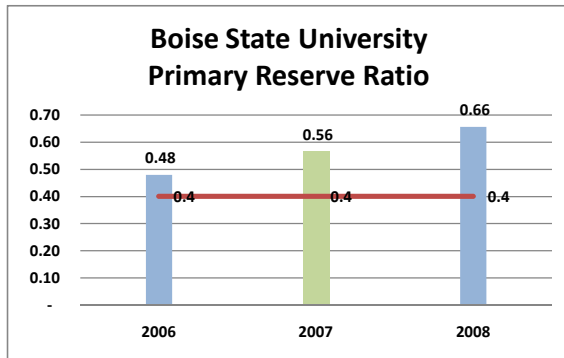
BOARD ACTION

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

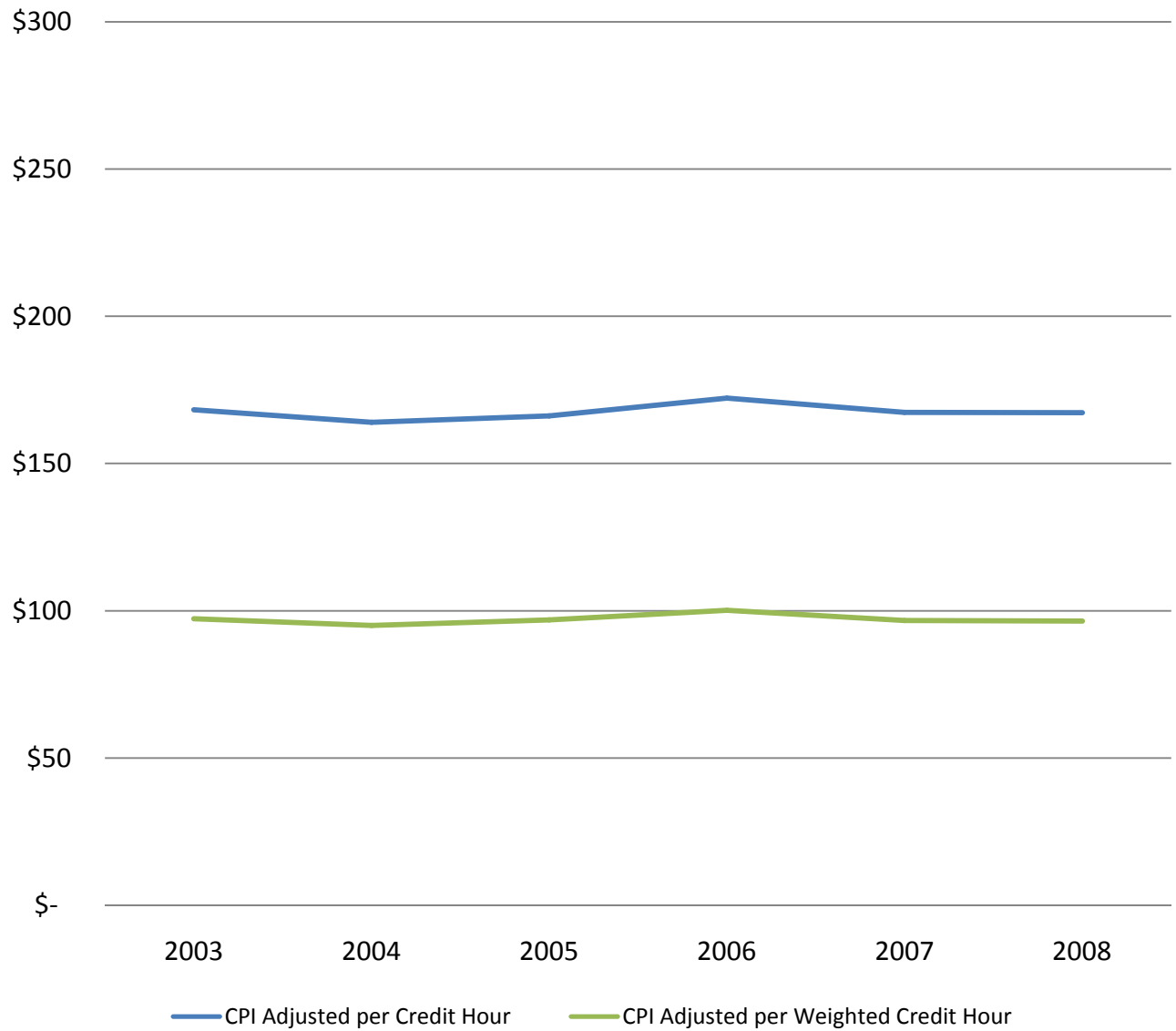
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Boise State University

	2006	2007	2008	Benchmark
Primary Reserve	0.48	0.56	0.66	0.40
Net Operating Revenues	4.3%	8.0%	3.6%	2.00%
Return on Net Assets	9.5%	15.2%	13.0%	6.00%
Viability	0.80	0.67	0.87	1.25
CFI	3.52	4.70	4.30	3.0



**Boise State University
Instructional Cost per Credit Hour
Constant Dollars**



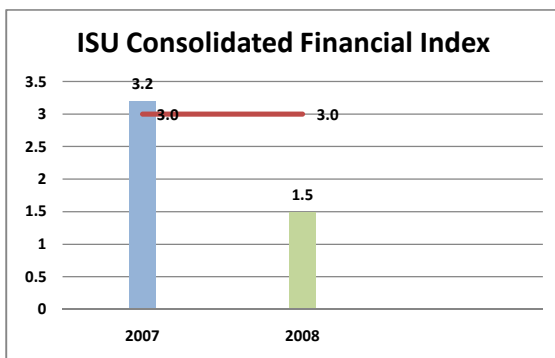
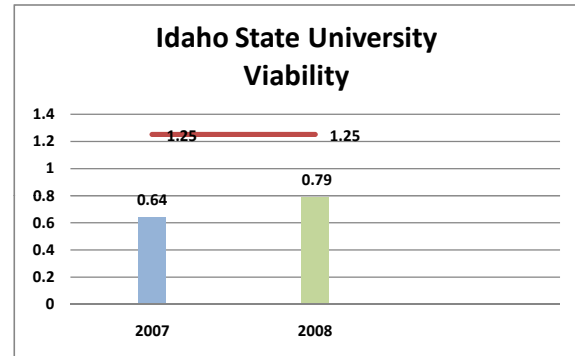
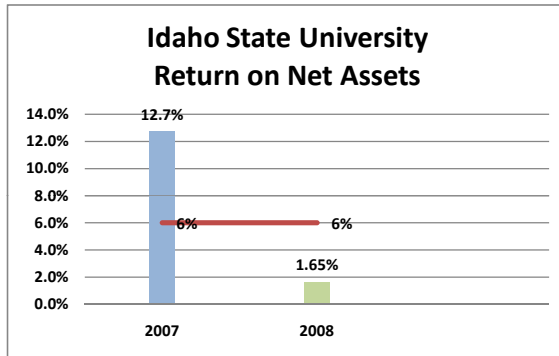
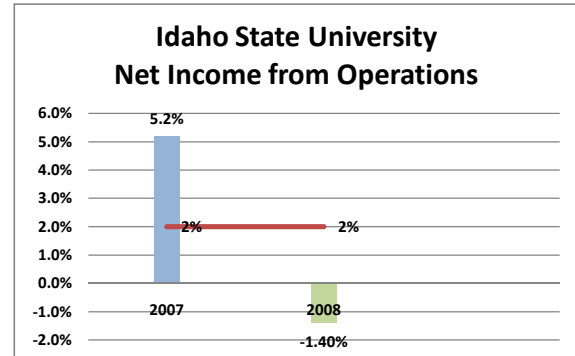
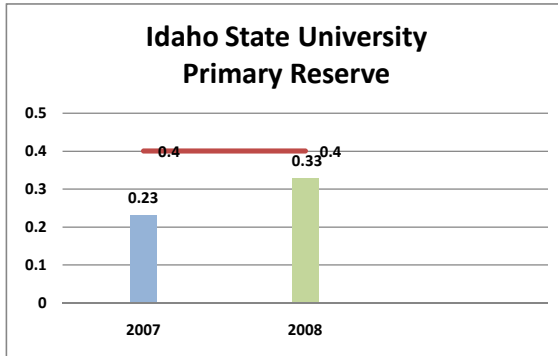
Boise State University
Net Asset Balances

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1 Net Assets:							
2 Invested in capital assets, net of related debt	\$109,078,414	\$118,421,028	\$122,397,657	\$141,293,657	\$142,498,300	\$160,800,243	\$167,965,615
3 Restricted, expendable	17,573,046	16,627,105	18,583,364	9,894,806	18,346,964	20,246,055	22,892,158
4 Restricted, nonexpendable	0	0	0	0	0	0	0
5 Unrestricted	52,886,268	54,991,422	58,774,900	60,441,126	61,249,973	83,140,682	85,459,476
6 Total Net Assets	\$ 179,537,728	\$ 190,039,555	\$ 199,755,921	\$211,629,589	\$222,095,237	\$264,186,980	\$276,317,249
7							
8 Unrestricted Increases since FY 2002		4.0%	11.1%	14.3%	15.8%	57.2%	61.6%
9							
10 Unrestricted Net Assets:							
11 Revenue Bond System	7,108,489	9,314,000	10,164,000	10,849,169	12,877,399	16,938,773	15,480,582
12 Auxiliary Fund Balance	15,574,146	13,436,800	17,363,000	18,181,336	13,765,374	11,503,294	12,264,322
13 Library Funds	3,310,903	4,140,000	3,900,000	3,900,000	3,365,000	3,365,000	332,829
14 Approved capital project costs	1,983,211	3,411,176	11,107,320	7,814,800	10,174,315	23,190,924	27,478,397
15 Start up costs related to strategic mission	235,626			2,150,000	1,000,000	1,396,000	837,144
16 Non-Academic Facility Repair & Replacement Reserve	291,742	4,605,639		2,200,000	2,139,653	1,723,622	1,309,795
17 Service Department Equipment/Operating Reserve	4,502,924	1,919,623	2,260,136	5,575,606	6,156,390	5,936,261	6,415,582
18 Academic Departments Operating Funds	17,871,052	17,303,569	12,863,900	7,520,215	7,870,860	14,270,789	16,133,281
19 Research Operating Funds					1,249,248	1,489,927	1,495,104
20 Encumbered Amounts not included in liabilities					651,734	826,091	1,212,440
21 Unobligated Funds Available to University	2,008,175	860,615	1,116,544	2,250,000	2,000,000	2,500,000	2,500,000
22 Total Unrestricted Net Assets	52,886,268	54,991,422	58,774,900	60,441,126	61,249,973	83,140,682	85,459,476
23							
24 Total net assets	\$179,537,728	\$190,039,555	\$199,755,921	\$211,629,589	\$222,095,237	\$264,186,980	\$276,317,249
25 Unrestricted Net Assets-to-Total Net Assets	29.5%	28.9%	29.4%	28.6%	27.6%	31.5%	30.9%
26 Unobligated Financial Resources-to-Total Net Assets	1.1%	0.5%	0.6%	1.1%	0.9%	0.9%	0.9%
27							
28 Effect of GASB 45 - Other Postemployment Benefits							\$3,555,632
29							
30 Student FTE	12,216	12,749	13,502	13,342	13,562	13,720	14,315
31 Unrestricted Net Assets per Student FTE	\$4,329	\$4,313	\$4,353	\$4,530	\$4,516	\$6,060	\$5,970

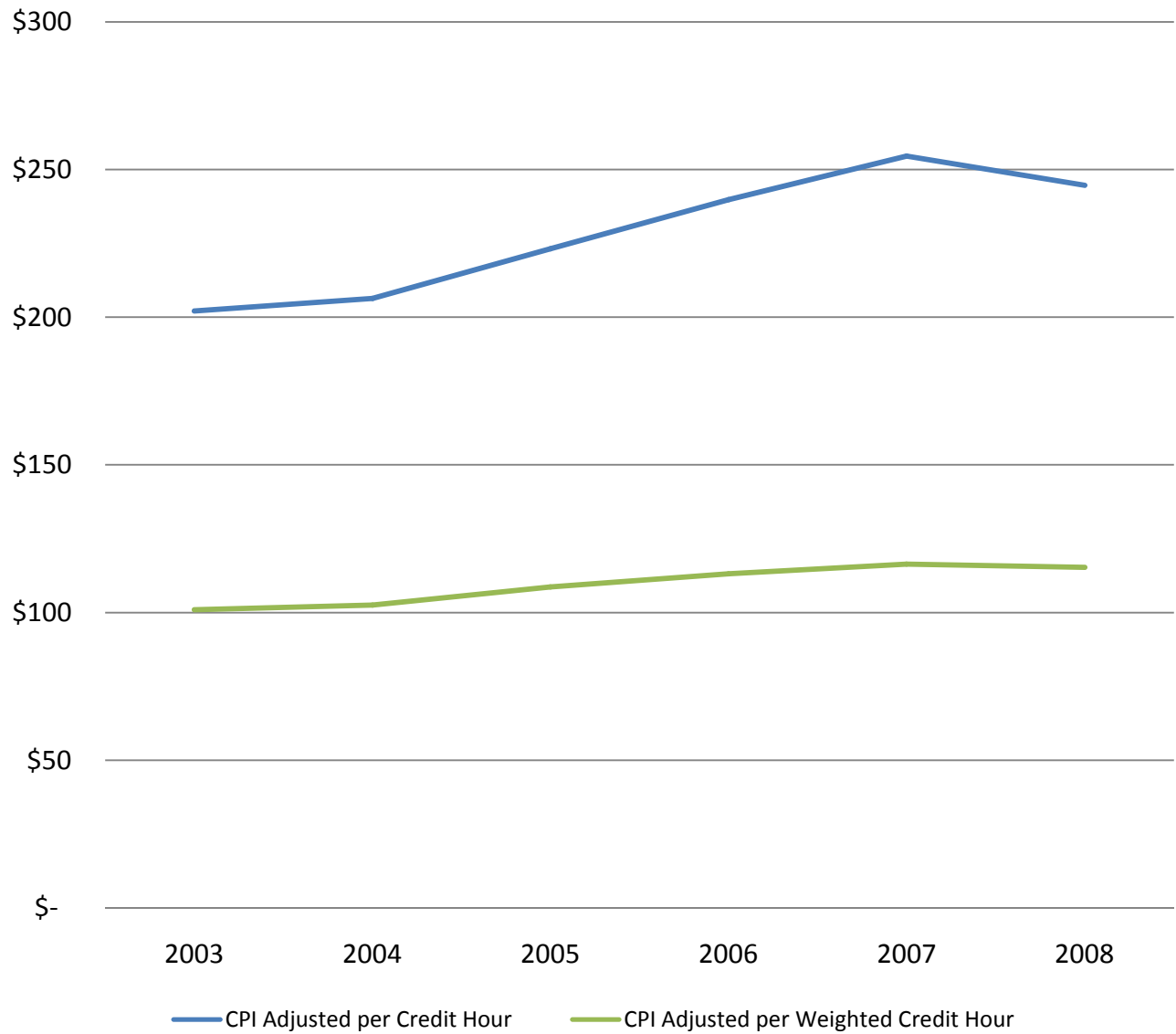
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Idaho State University

	2007	2008	Benchmark
Primary Reserve	0.23	0.33	0.40
Net Operating Revenues	5.2%	-1.40%	2.00%
Return on Net Assets	12.7%	1.65%	6.00%
Viability	0.64	0.79	1.25
CFI	3.2	1.5	3.0



**Idaho State University
Instructional Cost per Credit Hour
Constant Dollars**



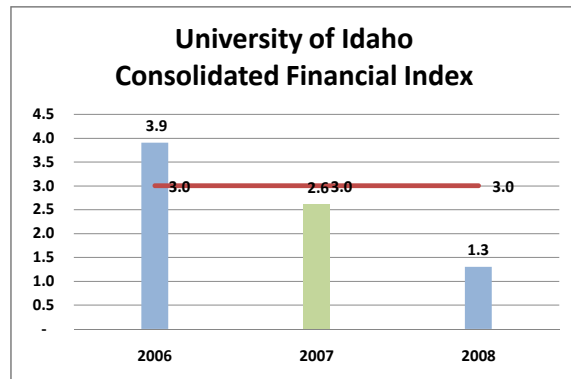
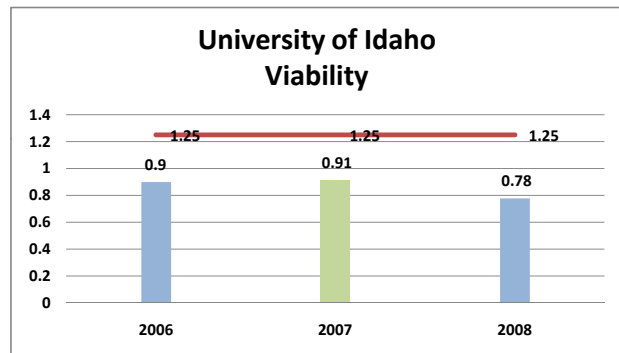
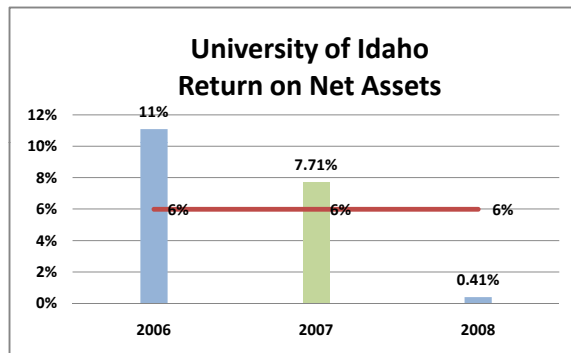
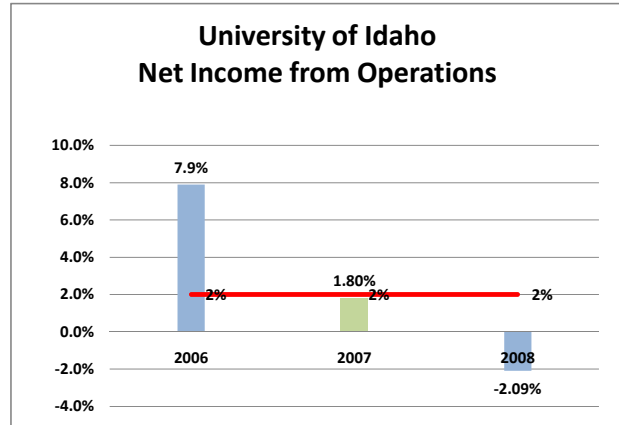
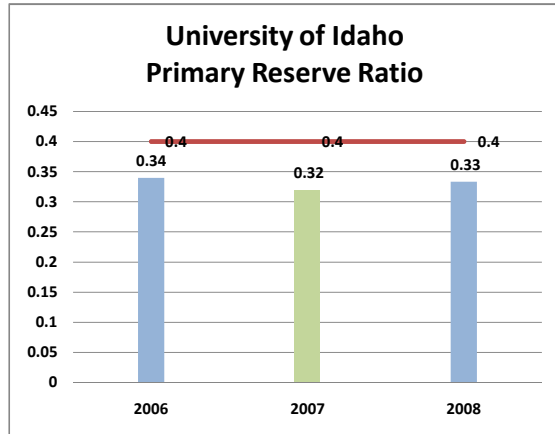
Idaho State University
Net Asset Balances

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1 Net Assets:							
2 Invested in capital assets, net of related debt	\$77,229,368	\$89,894,909	\$75,255,243	\$81,347,825	\$91,299,662	\$91,907,601	\$85,173,954
3 Restricted, expendable	5,114,158	5,001,157	30,552,475	24,701,888	14,599,005	18,887,429	29,049,720
4 Restricted, nonexpendable	0	0	0	0			
5 Unrestricted	19,322,865	24,365,620	28,506,019	30,860,800	31,115,989	31,540,034	27,244,904
6 Total Net Assets	\$ 101,666,391	\$ 119,261,686	\$ 134,313,737	\$136,910,513	\$137,014,656	\$142,335,064	\$141,468,578
7							
8 Unrestricted Increases since FY 2002		26.1%	47.5%	59.7%	61.0%	63.2%	41.0%
9							
10 Unrestricted Net Assets:							
11 Revenue Bond System	5,798,778	6,074,689	7,630,933	8,563,368	9,326,331	7,292,106	6,474,222
12 Auxiliary Fund Balance	2,528,653	4,072,682	4,767,023	4,201,834	3,414,615	3,749,345	3,835,127
13 Library Funds	318,793	317,389	309,276	258,289	290,512	420,560	680,181
14 Approved capital project costs					1,500,000	2,000,000	200,695
15 Start up costs related to strategic mission							
16 Non-Academic Facility Repair & Replacement Reserve	2,840,626	3,573,183	3,583,183	3,583,183			
17 Service Department Equipment/Operating Reserve	2,877,358	3,223,518	3,501,428	3,965,765	3,941,254	5,000,096	3,154,195
18 Academic Departments Operating Funds	4,912,677	7,009,165	7,853,642	8,141,887	6,898,941	8,106,173	7,433,349
19 Research Operating Funds					2,929,723	2,615,857	4,118,216
20 Encumbered Amounts not included in liabilities	985,798	1,087,212	1,174,587	1,334,363	1,430,830	703,673	1,143,148
21 Unobligated Funds Available to University	-939,818	-992,218	(314,053)	812,111	1,383,783	1,652,224	205,771
22 Total Unrestricted Net Assets	\$19,322,865	\$24,365,620	\$28,506,019	\$30,860,800	\$31,115,989	\$31,540,034	\$27,244,904
23							
24 Total net assets	\$101,666,391	\$119,261,686	\$134,313,737	\$136,910,513	\$137,014,656	\$142,335,064	\$141,468,578
25 Unrestricted Net Assets-to-Total Net Assets	19.0%	20.4%	21.2%	22.5%	22.7%	22.2%	19.3%
26 Unobligated Financial Resources-to-Total Net Assets	-0.9%	-0.8%	-0.2%	0.6%	1.0%	1.2%	0.1%
27							
28 Effect of GASB 45 - Other Postemployment Benefits							\$3,055,000
29							
30 Student FTE	9,968	10,076	10,287	10,179	10,052	9,474	9,451
31 Unrestricted Net Assets per Student FTE	\$1,938	\$2,418	\$2,771	\$3,032	\$3,096	\$3,329	\$2,883

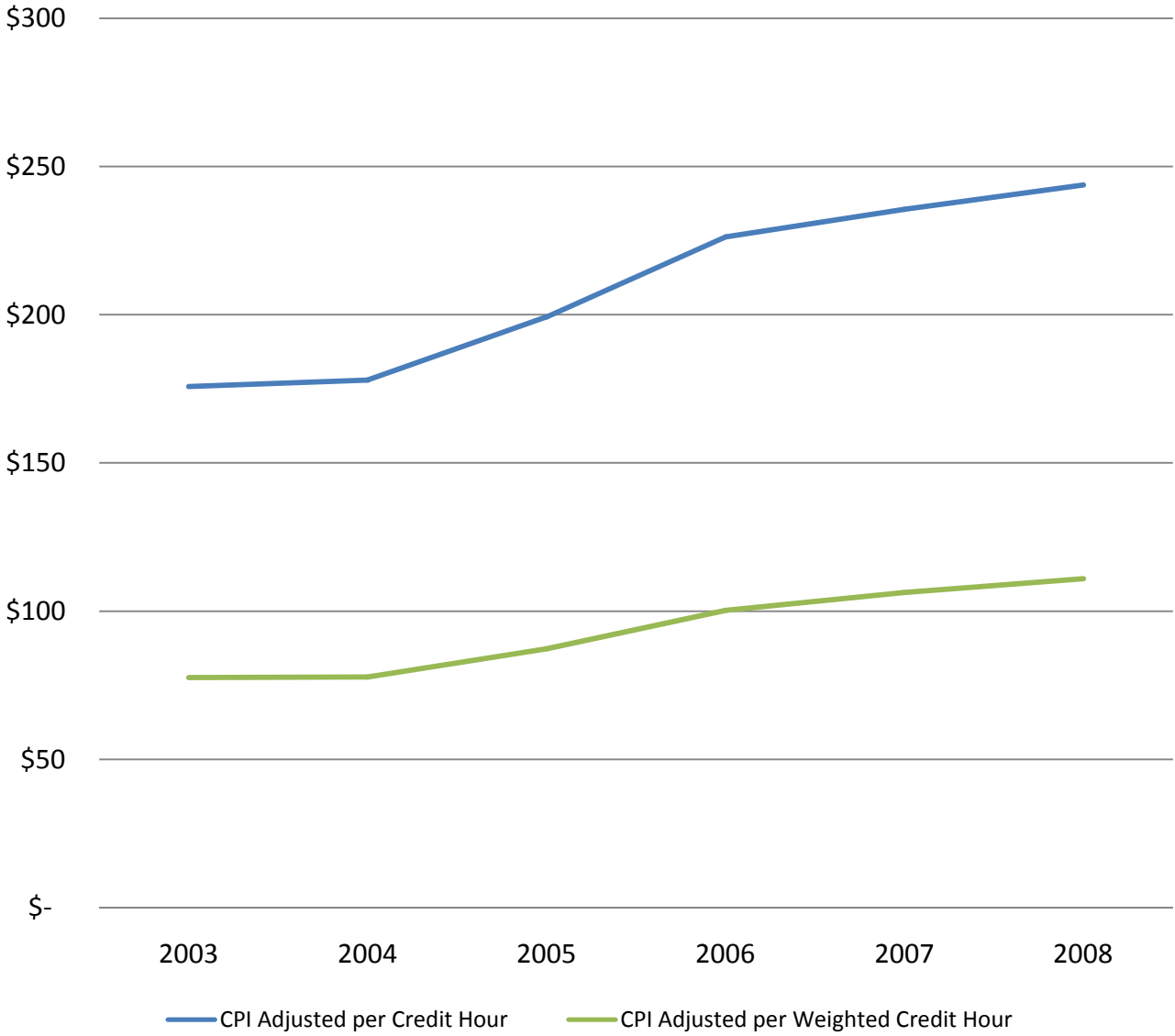
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University of Idaho

	2006	2007	2008	Benchmark
Primary Reserve Ratio	0.34	0.32	0.33	0.40
Net Operating Revenues	7.9%	1.80%	-2.09%	2.00%
Return on Net Assets	11%	7.71%	0.41%	6.00%
Viability	0.9	0.91	0.78	1.25
CFI	3.9	2.6	1.3	3.0



**University of Idaho
Instructional Cost per Credit Hour
Constant Dollars**



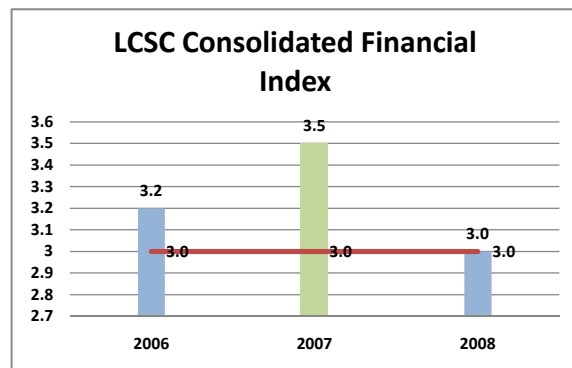
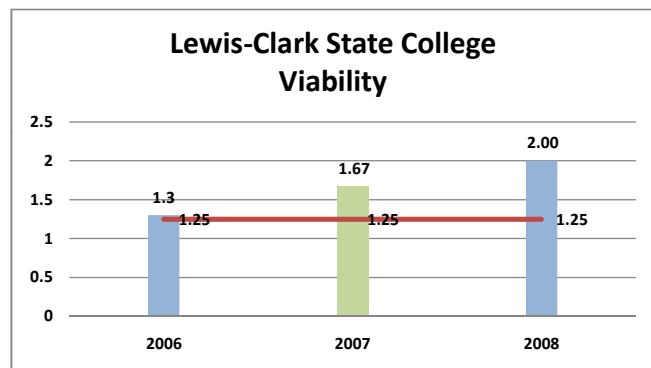
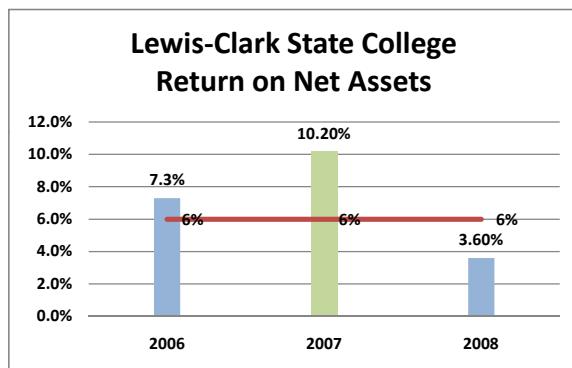
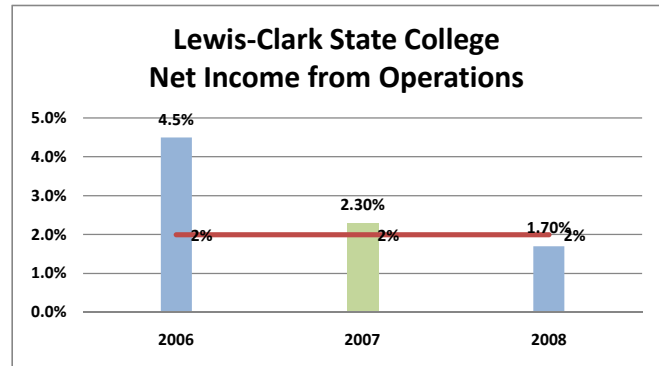
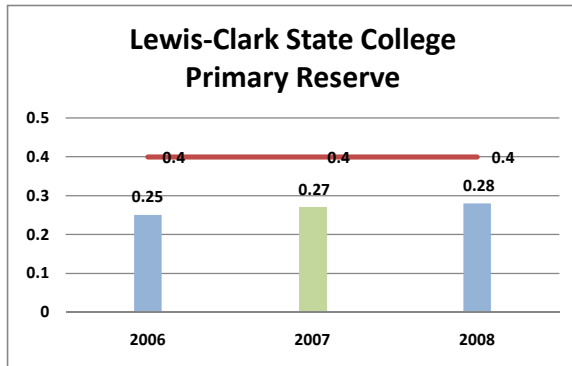
University of Idaho
Net Asset Balances

Ln	Net Assets:	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1	Invested in capital assets, net of related debt	\$170,707,263	\$173,525,393	\$173,803,697	\$171,201,330	\$179,267,162	\$202,639,863	\$185,755,208
2	Restricted, expendable	16,869,347	21,610,103	20,631,048	21,252,064	29,202,744	39,823,699	84,837,542
3	Restricted, nonexpendable	70,173,559	70,746,186	71,171,461	78,667,182	84,671,646	88,788,847	77,042,418
4	Unrestricted	22,387,064	18,650,209	29,918,062	41,564,444	52,813,415	45,885,000	38,200,667
5	Total Net Assets	\$ 280,137,233	\$ 284,531,891	\$ 295,524,268	\$ 312,685,020	\$ 345,954,967	\$ 377,137,409	\$ 385,835,835
6	Unrestricted Increases since FY 2002		-16.7%	33.6%	85.7%	135.9%	105.0%	70.6%
7	Unrestricted Net Assets:							
8	Revenue Bond System	3,249,848	4,642,338	5,731,372	4,733,576	7,120,160	11,238,236	4,983,663
9	Auxiliary Fund Balance	373,932	(29,253)	119,183	864,182	2,995,848	2,789,304	4,683,748
10	Library Funds	1,270,766	2,258,411	1,863,874	2,575,983	1,082,903	946,540	813,626
11	Approved capital project costs							
12	Start up costs related to strategic mission							2,200,000
13	Non-Academic Facility Repair & Replacement Reserve	5,997,654	5,021,016	9,237,907	8,755,663	10,949,809	13,178,220	11,903,939
14	Service Department Equipment/Operating Reserve				1,369,077	1,031,592	1,663,036	1,558,110
15	Academic Departments Operating Funds	9,139,645	6,277,684	9,921,376	20,843,746	26,364,234	14,230,781	8,545,343
16	Research Operating Funds							217,453
17	Encumbered Amounts not included in liabilities							1,294,786
18	Unobligated Funds Available to University	2,355,219	480,012	3,044,350	2,422,216	3,268,869	1,838,883	2,000,000
19	Total Unrestricted Net Assets	\$ 22,387,064	\$ 18,650,209	\$ 29,918,062	\$ 41,564,444	\$ 52,813,415	\$ 45,885,000	\$ 38,200,667
20								
21	Total Net Assets	\$280,137,233	\$284,531,891	\$295,524,268	\$312,685,020	\$345,954,967	\$377,137,409	\$385,835,835
22	Unrestricted Net Assets-to-Total Net Assets	8.0%	6.6%	10.1%	13.3%	15.3%	12.2%	9.9%
23	Unobligated Financial Resources-to-Total Net Assets	0.8%	0.2%	1.0%	0.8%	0.9%	0.5%	0.5%
24								
25	Effect of GASB 45 - Other Postemployment Benefits							
26								
27	Student FTE	10,224	10,672	11,073	11,040	10,791	10,252	10,078
28	Unrestricted Net Assets per Student FTE	\$2,190	\$1,748	\$2,702	\$3,765	\$4,894	\$4,476	\$3,791

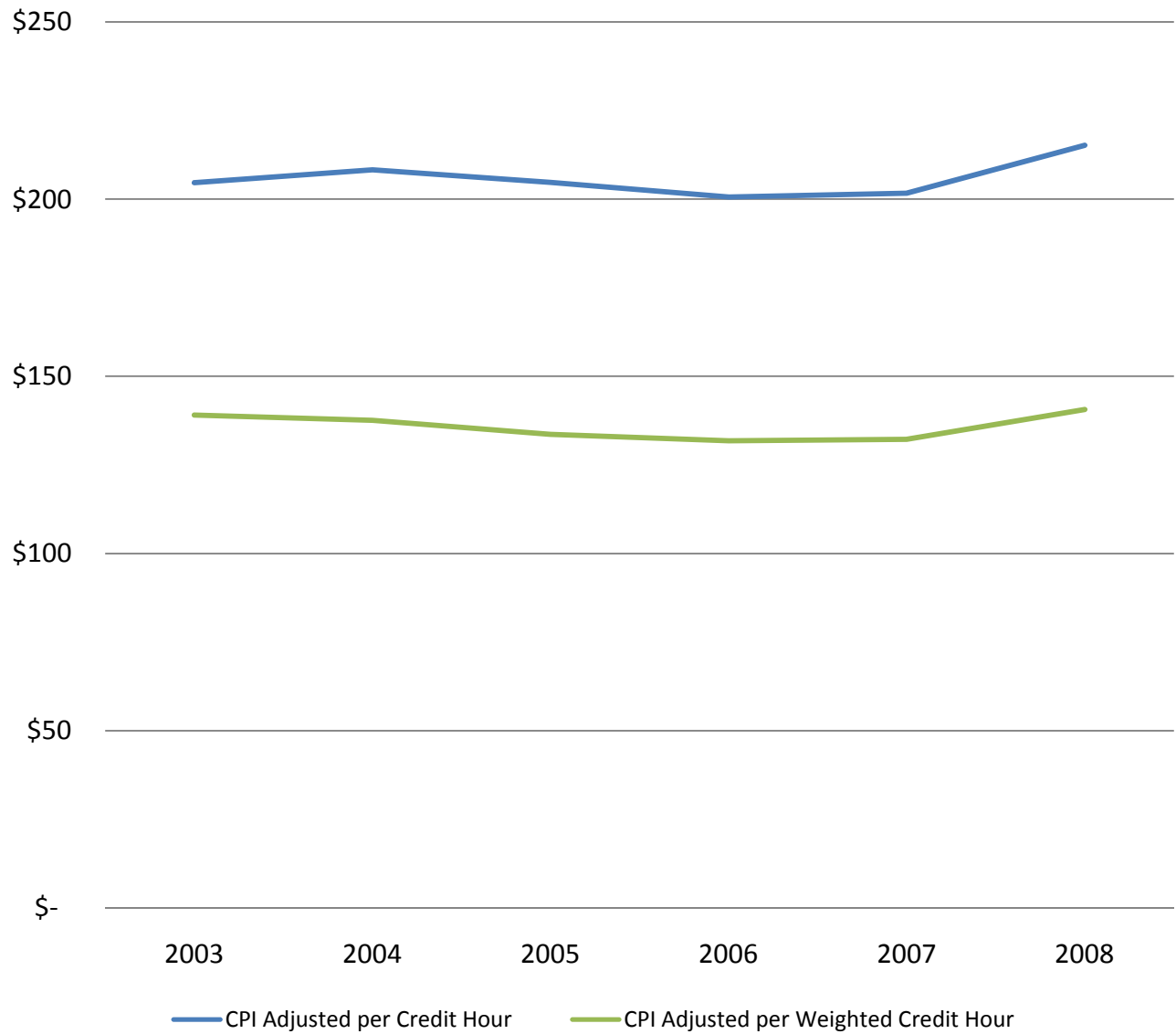
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Lewis-Clark State College

	2006	2007	2008	Benchmark
Primary Reserve	0.25	0.27	0.28	0.40
Net Operating Revenues	4.5%	2.30%	1.70%	2.00%
Return on Net Assets	7.3%	10.20%	3.60%	6.00%
Viability	1.3	1.67	2.00	1.25
CFI	3.2	3.5	3.0	3.0



**Lewis-Clark State College
Instructional Cost per Credit Hour
Constant Dollars**



Lewis-Clark State College
Net Asset Balances

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1 Net Assets:							
2 Invested in capital assets, net of related debt	\$16,446,632	\$17,076,656	\$18,662,356	\$19,615,225	\$19,599,852	\$21,805,295	\$21,636,172
3 Restricted, expendable	2,063,163	1,434,865	1,385,939	1,380,113	1,384,340	1,403,610	1,388,364
4 Restricted, nonexpendable	2,852	2,852	2,852				
5 Unrestricted	2,369,937	2,960,303	4,688,301	5,483,254	7,383,807	7,823,688	9,336,957
6 Total Net Assets	\$ 20,882,584	\$ 21,474,676	\$ 24,739,448	\$26,478,592	\$28,367,999	\$31,032,593	\$32,361,493
7							
8 Unrestricted Increases since FY 2002		24.9%	97.8%	131.4%	211.6%	230.1%	294.0%
9							
10 Unrestricted Net Assets:							
11 Revenue Bond System	636,028	1,448,703	1,820,226	1,938,168	1,878,437	2,003,421	2,168,592
12 Auxiliary Fund Balance	58,665	133,102	297,591	176,680	125,706	103,139	264,525
13 Library Funds	6,274	9,074	6,066	9,166	81,270	61,165	75,898
14 Approved capital project costs							
15 Start up costs related to strategic mission							
16 Non-Academic Facility Repair & Replacement Reserve	643,964	775,569	907,924	1,030,555	1,521,713	1,347,336	1,939,407
17 Service Department Equipment/Operating Reserve	496,700	91,870	598,999	441,545	1,418,697	1,833,770	2,230,827
18 Academic Departments Operating Funds	272,467	203,975	629,674	1,306,649	1,771,329	1,932,092	1,982,631
19 Research Operating Funds							
20 Encumbered Amounts not included in liabilities	106,077	93,500	129,552	270,533	294,777	245,198	259,484
21 Unobligated Funds Available to University	149,762	204,510	298,269	309,958	291,878	297,567	415,592
22 Total Unrestricted Net Assets	\$2,369,937	\$2,960,303	\$4,688,301	\$5,483,254	\$7,383,807	\$7,823,688	\$9,336,957
23							
24 Total net assets	\$20,882,584	\$21,474,676	\$24,739,448	\$26,478,592	\$28,367,999	\$31,032,593	\$32,361,493
25 Unrestricted Net Assets-to-Total Net Assets	11.3%	13.8%	19.0%	20.7%	26.0%	25.2%	28.9%
26 Unobligated Financial Resources-to-Total Net Assets	0.7%	1.0%	1.2%	1.2%	1.0%	1.0%	1.3%
27							
28 Effect of GASB 45 - Other Postemployment Benefits							\$790,000
29							
30 Student FTE	2,275	2,349	2,502	2,586	2,561	2,562	2,585
31 Unrestricted Net Assets per Student FTE	\$1,042	\$1,260	\$1,874	\$2,120	\$2,883	\$3,054	\$3,612

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

BOISE STATE UNIVERSITY

SUBJECT

Authorization for issuance of general revenue and refunding bonds

REFERENCE

October 2003	Board approved request to proceed with planning and design of an Environmental Science and Policy Center
October 2005	Board approved Campus Master Plan Update
June 2006	Board approved request to expand the scope of planning and design of the Environmental Science and Policy Center and complete design and programming plans
August 2006	Board approved request to construct a 750 space parking structure with office space on Lincoln and University Drives for an amount not to exceed \$12 million.
November 2006	Information item on facilities financing including cost estimate of the Center for Environmental Sciences and Economic Development construction
February 2007	Capital project financing update
April 2007	Increase in Strategic Facilities Fee approved for construction of the Center for Environmental Sciences and Economic Development construction
February 2008	Capital project financing update
June 2008	Board approved request to design and build the Center for Environmental Sciences and Economic Development for a cost not to exceed \$42,889,642, pending Board approval of financing
January 2009	Board approved request to replace retractable seating in Taco Bell Arena

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section V.F.
Section 33-3804, Idaho Code

BACKGROUND/DISCUSSION

Boise State University requests the Board's approval to issue approximately \$_____ in tax-exempt revenue and refunding bonds (the "Series 2009A Bonds") pursuant to a Supplemental Bond Resolution. Most of the Series 2009A proceeds will be used to finance the construction of the Center for Environmental Sciences and Economic Development (CESED). In June 2008, the Board approved a project budget for CESED construction of \$42,889,642, including \$3,125,000 of federal funds and \$10,000,000 of State of Idaho Permanent Building Funds. Since the June 2008 Board meeting, construction costs have declined, and the University now anticipates bids will come in much lower than originally projected. Accordingly, the University seeks to utilize these savings to complete the second phase of the Lincoln Parking Structure for a cost not to exceed \$12 million. Approximately \$891,000 of the Series 2009A proceeds will be used to replace obsolete seating in the Taco Bell Arena. A description of each project follows.

CESED

Consistent with the 2005 Campus Master Plan, CESED will be the first new science and engineering building to be located in the University's southeast expansion zone. The five-story, 89,000 square foot building will house geological science and civil engineering research labs, research lab support space, teaching labs, faculty offices and other support space. The integrated office and work areas will be the home of the Departments of Geosciences, Civil Engineering, Public Policy and Administration, and Political Science. The organization and design layout of the building will promote collaboration between scientists, engineers, and public policy and political science faculty on important environmental and policy issues. Laboratories and work areas will be designed with state-of-the-art equipment and configured with a flexible lab design module and infrastructure system to ensure future flexibility. Debt service on the CESED bonds will be paid from the strategic facilities fee.

Taco Bell Arena Seating Project

A portion of the 2009A bond proceeds will be used to replace 850 retractable floor seats original to the University's existing arena with up to 950 new seats. The existing seating does not meet current hand and guardrail safety standards, and due to the age of the seats, cannot be brought up to code at a reasonable cost. Furthermore, new seating will enhance the competitive posture of the arena by providing additional seating and more flexible seating arrangements. Debt service on the seating project bonds will be paid from the general building fee.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

Lincoln Street Parking Structure

Due to the expected favorable bid climate, the University has the opportunity to use bond proceeds to construct the second half of the Lincoln Street parking garage. The garage was originally planned to encompass the entire block but was built as half due to the construction costs at the time. However, the land is all owned by the University, most of the demolition and site work is already completed, and significant work toward the infrastructure to support the second half was already built into the first half when it was constructed. Since this project would have been one of the next projects the University brought for approval and since it is generally a “mirror image” facility that has already been reviewed by the Board, the University requests approval of this project. The University will bring more design and construction details in April if the Board approves this project at a cost not to exceed \$12,000,000.

With the assistance of its bond underwriter, the University periodically reviews outstanding bond issues to assess whether market conditions warrant refinancing to take advantage of lower interest rates. The refunding of the University's Student Fee Refunding and Improvement Bonds Series 1998, Student Union and Housing System Refunding Bonds Series 1998 and Student Building Fee Revenue Bonds Series 2001 in the aggregate principal amount of \$11,750,000 would result in a debt service net present value savings in the amount of approximately \$794,000.¹ In the event that market conditions are no longer favorable at the time of the meeting, no refunding bonds will be issued.

Remaining bond proceeds will be used to cover the cost of issuance.

Principal Amount

Approximately \$_____

Maturities

Each project has an individual maturity schedule based on its useful life. Taco Bell Arena seating project bonds will be due in 15 years; CESED and parking garage term bonds will be due in 30 years.

Amortization Plan

The amortization schedule for the Series 2009A Bonds reflects level debt service.

Interest Rates

To be determined on the day of pricing.

¹ Exact amount will be available at the Board meeting.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

Source of Security

General Revenue Pledge of the University. Excludes appropriated funds, grants contract revenues and restricted gifts.

Ratings

Rating agency visits were conducted the week of January 19, 2009, in anticipation of the 2009A issuance and refunding. The University's current ratings of A1/A+ were reaffirmed by Moody's Investors Service and Standard & Poor's, respectively (see Attachments 4 and 5).

Documents to be provided immediately prior to the Board meeting

Once pricing is concluded, the University will provide the following at the Board meeting:

1. Bond sizing analysis showing final amounts, interest rates and maturities on the bonds;
2. Final Supplemental Bond Resolution showing rates and maturities of the bonds; and
3. Insert of new Appendix A to Bond Purchase Agreement showing rates and maturities of the bonds.

Bond pricing will occur during the 26th day of February, 2009. Agenda consideration after 2:00 pm MST is requested.

IMPACT

In accordance with the University's strategic plan and the campus master plan, the CESED building will provide valuable academic and research space to facilitate and enhance multidisciplinary research and education. The parking garage will further future operations in student housing, athletics, major event hosting and academic growth for the University. At the same time, the university's outstanding debt will increase, as will its debt service to operating budget ratio. In 2010, the university's debt service to operating budget ratio increases to 8.2 percent due to a private note balloon payment for the East Jr. High property, but declines the following year to 6.7 percent (see Attachment 7).

ATTACHMENTS

Attachment 1 – Preliminary Official Statement	Page 7-149
Attachment 2 – Draft Supplemental Bond Resolution	Page 151-180
Attachment 3 – Draft Bond Purchase Agreement	Page 181-197
Attachment 4 – Moody's 2009 Rating Report	Page 199-203
Attachment 5 – Standard & Poor's 2009 Rating Report	Page 205-209
Attachment 6 – Debt Service Projection	Page 211
Attachment 7 – Ten Year Debt Projection	Page 213

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

STAFF COMMENTS AND RECOMMENDATIONS

The university's ten-year debt projection, Attachment 7, does not include the parking structure because the debt projection was prepared before the university determined the favorable bids would provide an estimated \$12,000,000 in project cost savings on the CESED building. Since the financing for the parking structure will be included in the 2009A bonds, the total amount financed by the bonds will not change from the amount in the original debt projection. Staff has reviewed the ten-year debt projection, and compared the most current projections and assumptions with those provided in February 2008. BSU had projected a 9.4% debt service as a percentage of operating budget for FY 2010 reducing to under 8.0% for fiscal years 2012 and on.

The current debt projection shows an 8.2% debt service for FY 2010 reducing to under 7.0% for fiscal years 2012 and on.

The primary reason the debt service has decreased is the potential impact of the 2009A refundings. The ratio is well below the 8 percent threshold, which is considered by bond rating agencies, audit firms and others to be the maximum amount that an educational institution should be carrying. Due to the strong ratings by the investor services, conservative assumptions used in these projections, and a debt service/operating budget ratio that stays relatively below 8.0%, project financing appears to be viable.

Under the Occupancy agreement with the Joint Finance-Appropriations Committee (JFAC), written notification shall be submitted by the Office of the State Board of Education to the JFAC co-chairs within ten business days of final project approval by the State Board of Education or its executive director.

BOARD ACTION

A Motion to approve the second half of the Lincoln Street parking garage as a Board approved project at a budget not to exceed \$12,000,000. The University shall report to the Board in April with more detail on the design and construction of the parking garage.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

A Motion to approve the finding that the CESED project, Taco Bell Arena retractable seating project and second half of the Lincoln Street parking garage are economically feasible and necessary for the proper operation of the University and to approve a Supplemental Resolution for the Series 2009A Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$_____ General Revenue and Refunding Series 2009A bonds, of the Board of Trustees of

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2009A Bonds.

And to direct staff to provide written notification of final Board approval to the Joint Finance-Appropriations Committee.

Moved by _____ **Seconded by** _____ **Carried Yes** _____ **No** _____

[Note: the second motion must be approved by a majority of the members of the Board – the Board's Bylaws provide for approval with a roll-call vote.]

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 11, 2009

New Issue—Book Entry Only

RATINGS: See "RATINGS" herein

Subject to compliance by the University with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2009A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the opinion of Bond Counsel, under the existing laws of the State of Idaho, as presently enacted and construed, interest on the Series 2009A Bonds is exempt from Idaho state income taxes. See "TAX EXEMPTION."



BOISE STATE UNIVERSITY
\$42,885,000*
GENERAL REVENUE AND REFUNDING BONDS,
SERIES 2009A

Dated: Date of Delivery**Due: April 1, as shown below**

The Series 2009A Bonds are initially issuable in book-entry form only through The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2009A Bonds.

Interest on the Series 2009A Bonds is payable on each April 1 and October 1, commencing October 1, 2009. The Series 2009A Bonds are subject to optional and mandatory sinking fund redemption as described herein.

The Series 2009A Bonds are being issued for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University's existing events arena, refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2009A Bonds.

The Series 2009A Bonds are payable solely from and secured solely by the Pledged Revenues, which include certain student fees, enterprise revenues and interest earnings on University funds and accounts. See "SECURITY FOR THE SERIES 2009A BONDS" herein.

THE SERIES 2009A BONDS SHALL BE EXCLUSIVELY OBLIGATIONS OF THE UNIVERSITY, PAYABLE ONLY IN ACCORDANCE WITH THE TERMS THEREOF, AND SHALL NOT BE OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF IDAHO. THE SERIES 2009A BONDS SHALL NOT CONSTITUTE A DEBT-LEGAL, MORAL OR OTHERWISE-OF THE STATE OF IDAHO, AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT THEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE INCOME AND REVENUES PLEDGED AND ASSIGNED TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDERS OF THE SERIES 2009A BONDS. THE UNIVERSITY IS NOT AUTHORIZED TO LEVY OR COLLECT ANY TAXES OR ASSESSMENTS, OTHER THAN THE PLEDGED REVENUES DESCRIBED HEREIN, TO PAY THE SERIES 2009A BONDS. THE UNIVERSITY HAS NO TAXING POWER.

MATURITY SCHEDULE
Serial Bonds

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT*	RATE %	YIELD %	CUSIP	MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT*	RATE %	YIELD %	CUSIP
2010	\$1,460,000				2025	\$1,015,000			
2011	2,870,000				2026	1,065,000			
2012	2,755,000				2027	1,120,000			
2013	2,860,000				2028	1,180,000			
2014	2,705,000				2029	1,235,000			
2015	1,740,000				2030	1,230,000			
2016	655,000				2031	1,295,000			
2017	685,000				2032	1,365,000			
2018	720,000				2033	1,435,000			
2019	755,000				2034	1,510,000			
2020	795,000				2035	1,590,000			
2021	835,000				2036	1,675,000			
2022	875,000				2037	1,765,000			
2023	920,000				2038	1,855,000			
2024	965,000				2039	1,955,000			

\$ _____ % Term Bonds Due April 1, _____ at _____ % – CUSIP _____

The Series 2009A Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain matters will be passed on for the University by its counsel, Kevin D. Satterlee, Esq., and for the Underwriter by Chapman and Cutler LLP, in its capacity as disclosure counsel to the University. It is expected that the Series 2009A Bonds will be available for delivery through the facilities of DTC on or about March 19, 2009.



This Official Statement is dated _____, 2009. The information contained herein speaks only of such date.

* Preliminary; subject to change.

**THE IDAHO STATE BOARD OF EDUCATION
AND BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY**

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Student Affairs

Mark Rudin, Ph.D.—Vice President for
Research

Howard Smith—Vice President for
University Advancement

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GENERAL INFORMATION

No dealer, broker, salesperson or other person has been authorized by the Board, the University or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied up on as having been authorized by the Board, the University or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2009A Bonds, nor shall there be any sale of the Series 2009A Bonds by any person, in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the University, the Board, DTC and certain other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University or any other person or entity discussed herein since the date hereof.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Series 2009A Bonds at levels above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

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

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains “forward-looking statements” that are based upon the University’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “proforma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the University. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The University has no plans to issue any updates or revise these forward-looking statements based on future events.

OFFICIAL STATEMENT
\$42,885,000*
BOISE STATE UNIVERSITY
GENERAL REVENUE AND REFUNDING BONDS,
SERIES 2009A

INTRODUCTION

GENERAL

This Official Statement, including the cover page and the information contained in the Appendices hereto, is furnished in connection with the offering of the \$42,885,000* Boise State University General Revenue and Refunding Bonds, Series 2009A (the “*Series 2009A Bonds*”).

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. The attached Appendices are integral parts of this Official Statement and should be read in their entirety.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in “APPENDIX C—GLOSSARY OF TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT.”

BOISE STATE UNIVERSITY

Boise State University (the “*University*”) is a publicly supported, multi-disciplinary institution of higher education located in Boise, Idaho. The University has the largest student enrollment of any university in the State of Idaho (the “*State*”), with a spring 2009 enrollment of approximately 18,963 students (based on headcount, with full-time-equivalent enrollment of 14,103). The State Board of Education serves as the Board of Trustees (the “*Board*”), the governing body of the University.

AUTHORIZATION FOR AND PURPOSE OF THE SERIES 2009A BONDS

The Series 2009A Bonds are being issued pursuant to Title 33, Chapter 38 and Section 57-504, Idaho Code, as amended (the “*Act*”), and a resolution adopted by the Board on September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as supplemented and amended by a resolution adopted by the Board on February __, 2009 authorizing the issuance of the Series 2009A Bonds (the “*Series 2009A Supplemental Resolution*” and, collectively with the Master Resolution, the “*Resolution*”).

* Preliminary; subject to change.

Pursuant to the Master Resolution, the Board has previously authorized the issuance of various series of General Revenue Bonds, which are currently outstanding in the principal amount of \$187,880,000 (the “*Outstanding Bonds*”). The Series 2009A Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Resolution, are referred to herein as the “*Bonds*” or the “*General Revenue Bonds*.” See “DEBT SERVICE REQUIREMENTS.”

The proceeds of the Series 2009A Bonds will be used for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena (the “*Series 2009A Project*”), refunding certain of the University’s outstanding bonds, and paying costs of issuance of the Series 2009A Bonds. See “SERIES 2009A PROJECT,” “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

SECURITY FOR THE SERIES 2009A BONDS

The Series 2009A Bonds are secured by Pledged Revenues on a parity with the other Bonds. Pledged Revenues include (i) Student Fees; (ii) Sales and Service Revenues; (iii) revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University (the “*F&A Recovery Revenues*”); (iv) various revenues generated from miscellaneous sources, including non-auxiliary advertising, vending in non-auxiliary buildings, postage and printing (“*Other Operating Revenues*”); (v) Investment Income (as defined in APPENDIX C), and (vi) other revenues as the Board shall designate as Pledged Revenues, but excluding State appropriations and Restricted Fund Revenues.

Until April 1, 2009, certain of the Pledged Revenues are subject to the prior pledge with respect to the University’s Student Fee Refunding Revenue Bonds, Series 1996, Student Fee Refunding and Improvement Revenue Bonds, Series 1998 and Student Building Fee Revenue Bonds, Series 2001 to remain outstanding upon the issuance of the Series 2009A Bonds (collectively, the “*Student Fee Bonds*”), which are currently outstanding in the aggregate principal amount of \$1,965,000. All of the Student Fee Bonds mature on April 1, 2009. See “SECURITY FOR THE SERIES 2009A BONDS” and “FINANCIAL INFORMATION REGARDING THE UNIVERSITY–Outstanding Debt.”

Under the Resolution, the University has covenanted to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding Bonds for each fiscal year. See “SECURITY FOR THE SERIES 2009A BONDS–Rate Covenant.”

ADDITIONAL BONDS

The University has reserved the right in the Resolution to issue Additional Bonds payable from and secured by the Pledged Revenues on a parity with the Series 2009A Bonds, subject to the satisfaction of certain conditions contained in the Resolution. See “SECURITY FOR THE SERIES 2009A BONDS–Additional Bonds.”

CERTAIN FACTORS AFFECTING UNIVERSITY OPERATIONS

State Appropriation Holdbacks. Legislatively-approved State appropriations represent approximately one-third of the University's total annual revenues. If, in the course of a fiscal year, the Governor determines that the expenditures authorized by the State legislature (the "Legislature") for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor, by executive order, may reduce the amount originally appropriated to any State institution, department or agency in order to balance the State budget. The Governor recently ordered two such reductions in appropriations to the University for the 2009 fiscal year, totaling \$3.5 million,* or 4% of the amount originally appropriated to the University for the 2009 fiscal year. In addition, the Governor has proposed a 9.85% reduction to the higher education appropriation for fiscal year 2010, with the expectation that a slow economic recovery could result in a slow return to previous appropriation levels. Although State appropriations are not pledged as security for the Bonds, reductions in the amount appropriated to the University could have a material effect on the University's current and future financial and operating position. See "FINANCIAL INFORMATION REGARDING THE UNIVERSITY—State Appropriations."

Transfer of Applied Technology Program to the College of Western Idaho. Classes at the College of Western Idaho ("CWI") commenced in January 2009. CWI is Idaho's newest community college and is located in Nampa, Idaho, approximately 20 miles west of the University. On July 1, 2009, the University will transfer its applied technology program to CWI. The University estimates that such transfer may reduce enrollment at the University by up to 1,200 students per semester. The decline in University enrollment is expected to result in a net decline in tuition, student fees and other revenues received by the University. See "THE UNIVERSITY—Student Body—Impact of College of Western Idaho."

THE SERIES 2009A BONDS

DESCRIPTION OF THE SERIES 2009A BONDS

The Series 2009A Bonds will be dated their date of original issuance and delivery and will mature on April 1 of the years and in the amounts as set forth on the cover page of this Official Statement.

The Series 2009A Bonds shall bear interest from their date at the rates set forth on the cover page of this Official Statement. Interest on the Series 2009A Bonds is payable on April 1 and October 1 of each year, beginning October 1, 2009. Interest on the Series 2009A Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. U.S. Bank National Association, in Salt Lake City, Utah, is the trustee and paying agent for the Series 2009A Bonds.

* Excludes \$300,000 attributable to the University's applied technology program, which is being transferred to CWI on July 1, 2009, as described under "THE UNIVERSITY—Student Body—Impact of College of Western Idaho."

The Series 2009A Bonds will be issued as fully-registered bonds, initially in book-entry form only, in denominations of \$5,000 or any integral multiple thereof.

BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2009A Bonds. The Series 2009A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2009A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2009A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2009A Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in Series 2009A Bonds, except in the event that use of the book-entry system for the Series 2009A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2009A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2009A Bonds, such as redemptions, defaults, and proposed amendments to the Series 2009A Bond documents. For example, Beneficial Owners of the Series 2009A Bonds may wish to ascertain that the nominee holding the Series 2009A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2009A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2009A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2009A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

While the book-entry system is in effect, payments of principal of and interest on the Series 2009A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the University or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend

payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2009A Bonds at any time by giving reasonable notice to the University or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2009A Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2009A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

REDEMPTION

*Optional Redemption.*¹ The Series 2009A Bonds maturing on or before April 1, 2019 shall not be subject to call or redemption prior to their stated maturity. The Series 2009A Bonds maturing on and after April 1, 2020 are subject to redemption at the election of the University at any time on or after April 1, 2019, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the Series 2009A Bonds shall be at a price of 100% of the principal amount of the Series 2009A Bonds to be so redeemed, plus accrued interest to the date of redemption.

Mandatory Redemption. If not previously redeemed as described above, the Series 2009A Bonds maturing on April 1, ____ are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Series 2009A Bonds to be so redeemed, plus accrued interest to the date of redemption, on April 1 of the years and amounts shown below:

YEAR	AMOUNT
	\$
*	
<hr/>	
*	Stated maturity.

Notice of Redemption. The Resolution requires the Trustee to give notice of any redemption of the Series 2009A Bonds not less than 35 days nor more than 60 days prior to the

¹ Preliminary; subject to change.

redemption date, by first class mail, postage prepaid, addressed to the registered owners of such Series 2009A Bonds to be redeemed at the addresses appearing on the registry books kept by the Trustee. With respect to any notice of optional redemption of Series 2009A Bonds, unless upon the giving of such notice such Series 2009A Bonds shall be deemed to have been paid within the meaning of the Resolution, such notice may state that the redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the Series 2009A Bonds to be redeemed, and that if such money shall not have been so received, the notice shall be of no force and effect and the University shall not be required to redeem such Series 2009A Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee will promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Partial Redemption. If fewer than all of the Series 2009A Bonds maturing on a single date are called for redemption, the Trustee shall select the Series 2009A Bonds to be redeemed from the outstanding Series 2009A Bonds maturing on that date, in such random manner as the Trustee, in its sole discretion, shall deem appropriate and fair. The portion of any Bond to be redeemed shall be in an authorized denomination.

SECURITY FOR THE SERIES 2009A BONDS

GENERAL

The Series 2009A Bonds are secured by Pledged Revenues on a parity with all Bonds previously issued and all Additional Bonds that may be issued under the Resolution. Pledged Revenues include:

- (i) Student Fees (described below);*
- (ii) Sales and Services Revenues (defined below), except that the pledge of Sales and Service Revenues is junior and subordinate to the prior pledge of a portion of Sales and Services Revenues under the Building Fee Resolution for so long as any Building Fee Bonds are outstanding;
- (iii) F&A Recovery Revenues;
- (iv) Other Operating Revenues;

*

The pledge of Student Fees is junior and subordinate to the prior pledge of a portion of the Student Building Fee (also known as the General Building Fee) and Recreation Facility Fee in favor of the Student Fee Bonds. The Student Fee Bonds, which are outstanding in the principal amount of \$1,965,000, mature on April 1, 2009.

(v) Unrestricted income generated on investments of moneys in all funds and accounts of the University (the “*Investment Income*”), except that the pledge of Investment Income earned with respect to funds held under the Building Fee Resolution is junior and subordinate to the pledge of such income under the Building Fee Resolution; and

(vi) Such other revenues as the Board shall designate as Pledged Revenues.

The University has closed the lien of the Building Fee Resolution and has covenanted that it will not issue any future bonds, notes or other obligations under this resolution.

For a description of the sources and components of the Pledged Revenues, see “Pledged Revenues” below. For the amounts of Pledged Revenues in recent years, see “Historical Revenues Available for Debt Service” below.

Pledged Revenues do not include State appropriations, which by law cannot be pledged, or restricted gift and grant revenues.

See “FINANCIAL INFORMATION REGARDING THE UNIVERSITY,” “–Budget Process,” and “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2008.”

PLEDGED REVENUES

Student Fees. The University assesses and collects a variety of fees from students enrolled at the University. The Board may assess fees at any time during the year, and has authority to establish the fees unilaterally, without review or approval by the students, the State government, or any other governmental or regulatory body. In practice, however, the Board sets the fees annually. Prior to the Board meeting at which fees are set, public hearings concerning the fees are held and student participation is actively solicited. “*Student Fees*” include the Tuition Fee; Facility, Technology and Activity Fees; and General Education Fees, as further described below.*

For the fiscal year ended June 30, 2008, total Student Fees per full-time undergraduate student per semester were \$2,205 for Idaho residents and \$6,289 for non-resident students. For the fiscal year ending June 30, 2009, such Student Fees are, respectively, \$2,316 and \$6,604 per semester. See “APPENDIX B—SCHEDULE OF STUDENT FEES.”

Tuition Fee. The Tuition Fee was originally classified as a “Matriculation Fee” and was established to support maintenance and operation of the physical plant, student services, institutional support, and instruction for full-time and professional technical students. Prior to July 2005, State law prohibited the University from charging Idaho residents attending the University “tuition” charges for the direct costs of instruction.

* Excludes a health insurance charge, which is paid directly to a third-party insurance provider.

Legislation that removed this restriction, however, became effective July 2005. The University's fee structure for the current fiscal year is similar to that of prior years. However, the Matriculation Fee has been reclassified by the University as a "Tuition Fee" for internal accounting purpose, allowing the University to utilize the flexibility created by the legislation to spend revenues from such fee for instructional purposes as needed. The revenues derived from the Tuition Fee for the fiscal years ended June 30, 2007 and June 30, 2008 were \$37,525,977 and \$41,264,137, respectively.

Facility, Technology and Activity Fees. The University charges a wide variety of fees to students to support various infrastructure and activities. Currently, these fees fall into three categories: (i) Facility Fees, which include the Student Building Fee, the Student Union and Housing Fee, the Capital Expenditure Reserve Fee, the Recreation Facility Fee, the Health and Wellness Center Fee, and the Strategic Facility Fee; (ii) Technology Fees, which include the Technology Fee and the Student Support System Fee; and (iii) Activity Fees, which include 22 fees assessed to support various programs and activities. See "APPENDIX B—SCHEDULE OF STUDENT FEES" for a listing of all Student Fees assessed for fiscal year 2009. The revenues derived from the Facility, Technology, and Activity Fees for the fiscal years ended June 30, 2007 and June 30, 2008 were \$31,743,313 and \$33,929,330, respectively.

General Education Fees. The University's General Education Fees include the Graduate/Professional Fee, non-resident Tuition, the Western Undergraduate Exchange Fee, the In-Service Fee, the Overload Fee, the Faculty Staff Fee, the Senior Citizen Fee, and Self-Supporting Program Fees. The revenues derived from the General Education Fees for the fiscal years ended June 30, 2007 and June 30, 2008 were \$10,960,604 and \$12,457,098, respectively. See "APPENDIX B—SCHEDULE OF STUDENT FEES."

Tuition and Student Fee Increases. It is Board policy to not increase total tuition and other student fees in any single fiscal year by an amount exceeding 10% unless it grants special approval for such increase. Tuition and student fees for the following fiscal year are set in April. The tuition and fee increases for the past five fiscal years were as follows:

FISCAL YEAR ENDING JUNE 30	TOTAL STUDENT TUITION AND FEES PER SEMESTER	PERCENTAGE INCREASE
2009	\$2,316	5.0%
2008	2,205	6.2
2007	2,077	7.3
2006	1,936	10.0
2005	1,760	8.3

See "APPENDIX B—SCHEDULE OF STUDENT FEES" for a table outlining the rates and expected revenues from Student Fees for fiscal year 2009.

Sales and Services Revenues. Sales and Services Revenues include revenues generated through operations of auxiliary enterprises. The majority of these revenues are generated through housing and student union operations; bookstore sales; ticket and event sales from the Taco Bell Arena, Bronco Stadium, Morrison Center and Select-A-Seat; parking charges; and recreation center activity charges. Sales and Services Revenues also include revenues generated incidentally to the conduct of instruction, research and public service activities, including unrestricted revenues generated by the University's public radio station, testing services provided by University labs, and sales of scientific and literary publications, and revenues from miscellaneous operations. See "THE UNIVERSITY—Certain University Facilities" for a description of the University's major facilities from which Sales and Services Revenues are derived.

Sales and Services Revenues for fiscal years ended June 30, 2007 and June 30, 2008 were \$42,548,978 and \$46,477,346, respectively. See "APPENDIX A — AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEAR ENDED JUNE 30, 2008."

Facilities and Administrative Recovery Revenues. A portion of federal funds expended each year on scientific research is provided to institutions to pay the direct costs of conducting research, such as the salaries for scientists and materials and labor used to perform research projects, and the balance is granted to pay for "facilities and administrative costs" ("*F&A Costs*"), which encompass spending by the receiving institution on items such as facilities maintenance and renewal, heating and cooling, libraries, the salaries of departmental and central office staff, and other general administration costs.

The University has focused on expanding research and has received an increased number and dollar amount of research grants over the last five years. Until additional resources are identified to facilitate additional research, fluctuations in F&A Recovery Revenues will occur due to the structure of current research grant agreements. In fiscal years ended June 30, 2007 and June 30, 2008, the University received F&A Recovery Revenues of \$2,935,344, and \$3,087,351, respectively.

Other Operating Revenues. The University receives other miscellaneous revenues in the course of its operations. Examples of Other Operating Revenues include revenues generated through certain non-auxiliary advertising, vending machines in non-auxiliary facilities, and postage and printing services. In fiscal years ended June 30, 2007 and June 30, 2008, the University generated Other Operating Revenues of \$1,636,425 and \$1,950,748, respectively.

Investment Income. Investment Income pledged to the Bonds includes all unrestricted investment income, except that the pledge of Investment Income earned with respect to funds held under the Building Fee Resolution is junior and subordinate to the pledge of such income under the Building Fee Resolution. For fiscal years ended June 30, 2007 and June 30, 2008, Investment Income pledged by the University was \$4,663,392 and \$4,028,824, respectively.

HISTORICAL REVENUES AVAILABLE FOR DEBT SERVICE

The following table shows the Pledged Revenues and the Revenues Available for Debt Service for the fiscal years 2006 through 2008. As described under "DEBT SERVICE REQUIREMENTS," the University estimates that the maximum annual debt service on the Bonds upon the issuance of the Series 2009A Bonds will be approximately \$15.9 million.*

	2006	2007	2008
Student Fees	\$ 72,756,952	\$ 80,229,894	\$ 88,429,134
Sales and Services Revenues	36,562,474	42,548,978	46,477,346
Other Operating Revenues	1,978,672	1,636,425	1,950,748
Investment Income	2,539,292	4,663,392	4,028,824
F&A Recovery Revenues	<u>2,563,430</u>	<u>2,935,344</u>	<u>3,087,351</u>
TOTAL	<u>\$116,400,820</u>	<u>\$132,014,033</u>	<u>\$143,973,403</u>
Less Operation and Maintenance Expenses of Auxiliary Enterprises	<u>47,629,415</u>	<u>50,278,915</u>	<u>56,485,940</u>
REVENUES AVAILABLE FOR DEBT SERVICE**	<u>\$68,771,405</u>	<u>\$81,735,118</u>	<u>\$87,487,463</u>

* Preliminary; subject to change.

** A portion of such revenues were used to pay debt service on the Student Fee Bonds. The Student Fee Bonds, which are currently outstanding in the principal amount of \$1,965,000, mature on April 1, 2009.

FLOW OF FUNDS

The Resolution creates the Revenue Fund, which is held by the University. All Pledged Revenues are deposited in the Revenue Fund. At least five days before each payment date, money in the Revenue Fund is transferred to the Debt Service Account held by the Trustee, for payment of interest, principal, and redemption premium, if any, coming due on the Bonds.

Amounts remaining in the Revenue Fund may be applied, free and clear of the lien of the Resolution, for any lawful purpose of the University, as provided in the Resolution. The University intends to use any excess moneys in the Revenue Fund primarily to pay for operation and maintenance expenses and capital improvements.

RATE COVENANT

Under the Resolution, the University has covenanted to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding Bonds for each fiscal year.

ADDITIONAL BONDS

Additional Bonds, Generally. The amount of Additional Bonds that may be issued under the Resolution is not limited by law or by the Resolution. In order to issue Additional Bonds for the purpose of financing Projects, the University must satisfy certain conditions, including the filing with the Trustee of:

(i) A Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution or any supplemental resolution with respect to any Bonds; and

(ii) A Written Certificate of the University to the effect that Estimated Revenues Available for Debt Service equal at least 110% of the Maximum Annual Debt Service on all Bonds to be outstanding upon the issuance of the Additional Bonds for (a) each of the fiscal years of the University during which any Bonds will be outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized, or (b) the University's current fiscal year and any succeeding fiscal year during which any Bonds will be outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized (a "*Coverage Certificate*"). See "APPENDIX C—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Additional Bonds."

Refunding Bonds. Additional Bonds may be issued to refund Bonds issued under the Resolution without compliance with the requirements described above if the Additional Bonds do not increase debt service by more than \$25,000 per year.

The University may issue Additional Bonds for the purpose of refunding any of its obligations that were not issued under the Resolution if it files with the Trustee (i) a copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds and providing that any revenues securing such refunded obligations shall become part of the Pledged Revenues securing the Bonds issued under the Resolution, (ii) the Coverage Certificate described above under "*Additional Bonds, Generally,*" and (iii) a Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution.

DEBT SERVICE RESERVE ACCOUNT

There is no debt service reserve requirement with respect to the Bonds.

However, a Municipal Bond Debt Service Reserve Fund Policy (the "*Reserve Policy*") in the amount of \$3,148,614 (the "*Reserve Policy Coverage*") was previously issued by Financial Guaranty Insurance Company ("*Financial Guaranty*") with respect to the Bonds. The Reserve Policy unconditionally guarantees the payment of that portion of the principal of and interest on

the Bonds that has become due for payment, but shall be unpaid by reason of nonpayment by the University, provided that the aggregate amount paid under the Reserve Policy may not exceed the Reserve Policy Coverage. Financial Guaranty will make such payments to the Trustee for the Bonds on the later of the date on which such principal and interest is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice subsequently confirmed in writing or written notice by registered or certified mail from the Trustee of the nonpayment of such amount by the University. The term “nonpayment” in respect of a Bond includes any payment of principal or interest made to an owner of a Bond that has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final non-appealable order of a court having competent jurisdiction.

The Reserve Policy is not cancelable by Financial Guaranty. The Reserve Policy covers failure to pay principal of the Bonds on their respective stated maturity dates, or dates on which the same shall have been called for mandatory sinking fund redemption, and not on any other date on which the Bonds may have been accelerated, and covers the failure to pay an installment of interest on the stated date for its payment. The stated expiration date of the Reserve Policy is the earlier of April 1, 2031 or the scheduled final maturity date of the Bonds.

The University retains the right to release the Reserve Policy from the Debt Service Reserve Account relating to the Bonds at any time, and the University is not required to replace the Reserve Policy in the event of any future downgrade, insolvency or other event with respect to Financial Guaranty.

Financial Guaranty Insurance Company. The financial strength ratings of Financial Guaranty have recently been downgraded a number of times, and Financial Guaranty is currently rated “Caal” by Moody’s Investors Service (“*Moody’s*”) and “CCC” by Standard & Poor’s, a division of the McGraw-Hill Companies, Inc. (“*S&P*”). Fitch Ratings has withdrawn its rating of Financial Guaranty. Financial information regarding Financial Guaranty, including its most recently published financial statements, are available upon request to: Financial Guaranty Insurance Company, 125 Park Avenue, New York, New York 10017, Attention: Corporate Communications Department. Financial Guaranty’s telephone number is (212) 312-3000.

THE SERIES 2009A PROJECT

The Series 2009A Project consists of the acquisition and construction of a new research building and certain improvements to the University’s existing Taco Bell Arena. Consistent with the University’s 2005 Campus Master Plan, the Center for Environmental Science and Economic Development (“*CESED*”) will be the first new science and engineering building to be located in the University’s southeast expansion zone. This project is the first step in a plan to relocate the science departments from the central campus to the southeast expansion zone next to Engineering Department facilities. The building will house geological science and civil engineering research labs, research lab support space, teaching labs, faculty offices and other support space. The integrated office and work areas will be the home of the Departments of Geosciences, Civil Engineering, Public Policy and Administration, and Political Science. The organization and design layout of the building will promote collaboration between scientists,

engineers, and public policy and political science faculty on important environmental and policy issues. Laboratories and work areas will be designed with state-of-the-art equipment and configured with a flexible lab design module and infrastructure system to ensure future flexibility. The CESED building will provide approximately 89,000 gross square feet and approximately 56,000 assignable square feet in a five-story building. The fifth story will consist of approximately 17,800 gross square feet of unfinished space that will accommodate future growth and eventually house additional research and teaching labs and faculty, staff and graduate student office and support space.

The cost of construction of the CESED is currently estimated to be approximately \$43 million. Of such amount, it is estimated that approximately \$30 million will be financed with proceeds of the Series 2009A Bonds, \$10 million will be funded with State appropriations, and approximately \$3.1 million will be funded with federal appropriations.

In June 2006, the Board authorized program development, building design and budget development for the CESED. Schematic designs for the project are now complete. In January 2009, the University began the bidding process for the selection of a contractor for the CESED project. Bids are scheduled to be opened on February 15, 2009, and the University expects construction of the CESED to begin in April 2009. It is estimated that construction of the CESED will be completed in October 2010.

Approximately \$891,000 of the Series 2009A Bond proceeds will be used to replace approximately 850 retractable floor seats that are original to the University's existing Taco Bell Arena with up to approximately 950 new seats. See "THE UNIVERSITY—Certain University Facilities—*Spectator and Recreation Facilities*" below.

PLAN OF REFUNDING

A portion of the proceeds of the Series 2009A Bonds will be irrevocably deposited in an escrow fund (the "*Escrow Fund*") to be held by U.S. Bank National Association, as escrow agent, to refund the University's Student Union and Housing System Revenue Bonds, Series 1998 that mature on or after April 1, 2010 (the "*Series 1998 General Revenue Refunded Bonds*"). Such amount will be used to provide cash and purchase direct obligations of the United States that are sufficient to pay the redemption price of, and accrued interest on, the Series 1998 General Revenue Refunded Bonds on their redemption date. The Series 1998 General Revenue Refunded Bonds, which mature in the following amounts and on the following dates and bear interest at the following rates, will be called for redemption on April 1, 2009, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
2010	\$ 915,000	4.75%
2011	960,000	4.85
2012	1,010,000	5.00
2013	1,055,000	5.05
2014	1,115,000	5.10
2015	1,170,000	5.125

A portion of the proceeds of the Series 2009A Bonds will be irrevocably deposited in the Escrow Fund to refund the University's Student Fee Refunding and Improvement Revenue Bonds, Series 1998 that mature on or after April 1, 2010 (the "*Series 1998 Student Fee Refunded Bonds*"). Such amount will be used to provide cash and purchase direct obligations of the United States that are sufficient to pay the redemption price of, and accrued interest on, the Series 1998 Student Fee Refunded Bonds on their redemption date. The Series 1998 Student Fee Refunded Bonds, which mature in the following amounts and on the following dates and bear interest at the following rates, will be called for redemption on April 1, 2009, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
2010	\$ 345,000	4.75%
2011	1,165,000	4.80
2012	1,225,000	5.00
2013	1,285,000	5.05
2014	1,075,000	5.10

A portion of the proceeds of the Series 2009A Bonds will be irrevocably deposited in the Escrow Fund to refund the University's Student Building Fee Revenue Bonds, Series 2001 maturing on or after April 1, 2010 (the "*Series 2001 Refunded Bonds*" and, collectively with the Series 1998 General Revenue Refunded Bonds and the Series 1998 Student Fee Refunded Bonds, the "*Refunded Bonds*"). Such amount will be used to provide cash and purchase direct obligations of the United States that are sufficient, together with the interest earnings thereon, to pay the principal of and interest on the Series 2001 Refunded Bonds on each interest payment date and maturity date of the Series 2001 Refunded Bonds. The Series 2001 Refunded Bonds mature in the following amounts and on the following dates and bear interest at the following rates:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
2010	\$210,000	4.50%
2011	220,000	4.50

Upon the deposit of such amounts and compliance with certain requirements of the respective bond resolutions, the Refunded Bonds will be deemed to be paid and will cease to be entitled to the pledge of revenues pledged under such bond resolutions.

ESTIMATED SOURCES AND USES OF FUNDS*

SOURCES

Principal Amount of Series 2009A Bonds	\$42,885,000
Net Original Issuance Premium	230,014
Amounts Transferred from Bond Funds for Refunded Bonds	<u>9,030</u>
TOTAL SOURCES	<u>\$43,124,044</u>

USES

Series 2009A Project Account	\$30,630,420
Escrow Fund to Refund the Refunded Bonds	12,097,379
Costs of Issuance ¹	<u>396,245</u>
TOTAL USES	<u>\$43,124,044</u>

* Preliminary; subject to change.

¹ Includes legal fees, rating agency fees, trustee fees, refunding escrow verifier's fee and Underwriter's fee.

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DEBT SERVICE REQUIREMENTS

The following table shows the annual debt service requirements for the Bonds.

GENERAL REVENUE BOND DEBT SERVICE

SERIES 2009A BONDS

BOND YEAR ENDING APRIL 1, 2009	OUTSTANDING BONDS*	PRINCIPAL**	INTEREST	TOTAL	TOTAL DEBT SERVICE
2009	\$ 7,030,406	\$ -			
2010	11,764,653	1,460,000			
2011	10,241,227	2,870,000			
2012	10,635,514	2,755,000			
2013	10,683,650	2,860,000			
2014	11,005,253	2,705,000			
2015	12,175,840	1,740,000			
2016	13,456,840	655,000			
2017	13,494,440	685,000			
2018	13,575,440	720,000			
2019	13,644,890	755,000			
2020	13,736,990	795,000			
2021	13,202,203	835,000			
2022	12,886,433	875,000			
2023	11,532,526	920,000			
2024	10,085,311	965,000			
2025	10,087,216	1,015,000			
2026	10,087,619	1,065,000			
2027	10,081,563	1,120,000			
2028	10,082,206	1,180,000			
2029	10,088,438	1,235,000			
2030	10,080,738	1,230,000			
2031	10,085,138	1,295,000			
2032	10,085,538	1,365,000			
2033	10,086,813	1,435,000			
2034	10,080,588	1,510,000			
2035	10,079,588	1,590,000			
2036	10,083,788	1,675,000			
2037	10,082,600	1,765,000			
2038	-	1,855,000			
2039	-	1,955,000			
Total	<u>\$320,243,449</u>	<u>\$42,885,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

* Reflects the refunding of the Series 1998 General Revenue Refunded Bonds.

** Preliminary; subject to change.

THE UNIVERSITY

The University is the largest institution in the Idaho system of higher education. The University's main campus is located in Boise, Idaho. The University's spring 2009 enrollment is 18,963 students (based on headcount, with full-time equivalent enrollment of 14,103). The University had 3,657 faculty and staff (including 942 student employees) as of June 30, 2008.*

Situated along the banks of the Boise River near downtown Boise, the University's main campus provides a picturesque and attractive setting, yet has convenient access to the governmental institutions and commercial and cultural amenities that are located in Idaho's capital city. The Boise-Nampa metropolitan area had a population of approximately 431,000 as of the 2000 census, and approximately 567,000 in 2006.

The University was founded as Boise Junior College in 1932, began offering baccalaureate programs in 1965 and entered the State system of higher education in 1969 as Boise State College. The University was renamed Boise State University in 1974, when it began offering graduate programs. The University administers baccalaureate, master's and doctoral programs through seven colleges—Arts and Sciences, Business and Economics, Education, Engineering, Graduate Studies, Health Sciences, and Social Sciences and Public Affairs. Master's degrees are offered in 73 disciplines, and four doctoral programs include an Ed.D. in Curriculum and Instruction and Ph.D. programs in Geophysics, Hydrology, and Electrical Engineering and Computer Engineering. The University is fully accredited by the Northwest Association of Schools and Colleges, and a number of the University's academic programs have also obtained specialized accreditation.

The University competes in NCAA intercollegiate athletics as a Division I-A member and fields 17 men's and women's teams in 12 sports. The University is the home of over 50 research centers and institutes, including the Center for Health Policy, the Center for Public Policy and Administration, the Environmental Science and Public Policy Research Institute, the Global Business Consortium, the Raptor Research Center, and the Hemingway Western Studies Center. The University also hosts both National Public Radio and Public Radio International on the Boise State Radio Network, which broadcasts in southern Idaho, western Oregon and northern Nevada on a network of 20 stations and translators.

UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Board, which also serves as the Idaho State Board of Education, the Regents of the University of Idaho, the Board of Trustees for Idaho State University in Pocatello, the Board of Trustees for Lewis Clark State College in Lewiston, and the State Board for Professional-Technical Education and Vocational Rehabilitation. The Governor appoints seven

* Includes 355 employees that were part of Selland College, the University's applied technology program, which is being transferred to CWI in July 2009, as described under "THE UNIVERSITY—Student Body—*Impact of College of Western Idaho.*"

of the members of the combined boards for five-year terms. The membership, terms and occupations of the current board members are listed below. The elected State Superintendent of Public Instruction serves *ex officio* as the eighth member of the Board for a four-year term.

**BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY
AND STATE BOARD OF EDUCATION**

NAME	RESIDENCE	OCCUPATION	TERM EXPIRES
Milford Terrell (President)	Boise	Owner/President of DeBest Plumbing	2012
Paul C. Agidius (Vice President)	Moscow	Attorney	2011
Sue Thilo (Secretary)	Coeur d'Alene	Community Leader	2009
Blake G. Hall	Idaho Falls	Attorney	2010
Richard Westerberg	Preston	PacifiCorp officer (retired)	2009
Roderic W. Lewis	Boise	General Counsel, Micron Technology, Inc.	2010
Tom Luna*	Nampa	State Superintendent of Public Instruction	2011
Kenneth Edmunds	Twin Falls		2013

* Serves *ex officio* on the State Board of Education in his capacity as State Superintendent of Public Instruction.

The State Board of Education has an approximately 20-member, full-time professional staff headed by Mike Rush, Executive Director. His appointment became effective in 2008.

University Officers. The President of the University and his staff are responsible for the operation of the University and the fulfillment of its academic mission. The President is selected by and serves at the pleasure of the Board. Members of the President's management team are appointed by the President and serve at his pleasure. The President and his principal staff are listed below, with brief biographical information concerning each.

Robert Kustra, Ph.D. – President. Dr. Kustra became the University's sixth president on July 1, 2003. Immediately prior to joining the University, Dr. Kustra served as president of the Midwestern Higher Education Commission, an organization of 10 midwestern states that focus on advancing higher education through interstate cooperation and resource sharing. Prior to his time at the Midwestern Higher Education Commission, Dr. Kustra served as a senior fellow for the Council of State Governments, and from 1998-2001 served as president of Eastern Kentucky University. Prior to his time at Eastern Kentucky University, Dr. Kustra served as the lieutenant governor for the State of Illinois from 1990-1998, during a portion of which time he also served as the chair of the Illinois Board of Higher Education. Prior to acting as lieutenant governor, Dr. Kustra served in the Illinois state senate from 1982 to 1990 and in the Illinois House of Representatives from 1980-1982.

Dr. Kustra has also held faculty positions at the University of Illinois at Springfield, Roosevelt University, the University of Illinois-Chicago, Northwestern University, Loyola University and Lincoln Land Community College. While at Loyola he also served as director of the Center for Research in Urban Government.

Dr. Kustra was educated at Benedictine College in Atchison, Kansas (BA 1965), Southern Illinois University (MA 1968) and the University of Illinois (Ph.D. 1975). All of his degrees are in political science.

Throughout his professional life, Dr. Kustra has served on a number of education-oriented boards, including the Advisory Council for the National Center for Public Policy and Higher Education, the Policies and Purposes Committee of the American Association of State Colleges and Universities, the Ohio Valley Conference Board of Presidents, the DePaul University Board of Trustees and the Education Commission of the States. He is currently serving as a member of the National Collegiate Athletic Association executive committee and the American Association of State Colleges and Universities Commission on Presidential Leadership and Global Competitiveness.

Sona Andrews, Ph.D. – Provost and Vice President for Academic Affairs. Dr. Andrews began her duties as Provost and Vice President for Academic Affairs at the University in August 2004 after serving as Vice Provost for Academic Affairs at the University of Wisconsin-Milwaukee. Dr. Andrews, a geoscience professor, began teaching at the University of Minnesota in the 1980s and gained most of her administrative experience at the University of Wisconsin-Milwaukee, where she served as Vice Provost. She also served a fellowship with the American Council on Education. Dr. Andrews completed her first year of undergraduate education at the Nichan Palanjian Armenia College in Beirut, Lebanon and went on to earn her undergraduate degree in geography from Worcester State College in Massachusetts in 1975 and her Master's (1977) and Ph.D. (1981) in geography from Arizona State University.

Stacy Pearson, CPA, MPA – Vice President for Finance and Administration. Ms. Pearson was appointed as Bursar and Vice President for Finance and Administration effective August 15, 2004. Prior to this appointment, Ms. Pearson served as Associate Vice President for Finance and Administration at the University from 1995 to 2004. Ms. Pearson received her Bachelor of Science degree in business at the University of Idaho and her Master of Public Administration degree from the University. Ms. Pearson is a certified public accountant and is active in the Western Association of College and University Business Officers (WACUBO). She served as the Director of the Internal Audit Division for the Oregon University System from 1994 to 1995 and the Internal Auditor for the Idaho State Board of Education from 1987 to 1994.

Michael Laliberte, Ed.D. – Vice President for Student Affairs. Dr. Laliberte joined the University in July 2006. Previously, he had served since January 2003 as Associate Vice Chancellor for Student Affairs at the University of Massachusetts Dartmouth, where he served as Associate Dean of Students from 1999-2003. His higher education experience also includes service at Springfield College in Springfield, Massachusetts as the Assistant Dean of Students and Director of Judicial Affairs from 1996-99; Pennsylvania State University in University Park, Pennsylvania, as the Coordinator-Residence Life from 1994-96; and Northeastern University in Boston, as the Residence Director in 1994. Laliberte completed his Ed.D. in educational leadership in higher education from Johnson & Wales University in Providence, R.I., in 2003. He earned a master of science degree in college student development and counseling from Northeastern University in 1994 and a bachelor of science degree in human development, counseling and family studies from the University of Rhode Island in Kingston in 1983.

Mark Rudin, Ph.D – Vice President for Research. Dr. Rudin joined the University on January 1, 2009 as Vice President for Research. Dr. Rudin received his Ph.D. in Medicinal Chemistry/Health Physics from Purdue University. Dr. Rudin has been with UNLV since 1993, serving in a number of teaching and administrative positions, including serving as Senior Associate Vice President for Research Services and Chair of the Department of Health Physics. Before joining UNLV, Dr. Rudin was a technical/administrative assistant with the U.S. Department of Energy Headquarters, Office of Environmental Restoration and Waste Management, and from 1989 to 1993, he was a senior program specialist/project engineer with EG&G Idaho at the Idaho National Laboratory in Idaho Falls.

Howard Smith –Vice President for University Advancement. Dr. Smith received his Ph.D in Administrative Theory and Health Services Administration from the University of Washington. He formerly served the University of New Mexico as dean (1994-2004) at the Anderson Schools of Management and School of Public Administration and as Director (2004-2006) of the Program for Creative Enterprise and the Creative Enterprise Endowed Chair. From 1990 to 1994 Dr. Smith served as Associate Dean at the Anderson Schools. From June 2006 to May 2007, he served as the University's Dean of the College of Business and Economics.

Kevin D. Satterlee, J.D. – Associate Vice President and University Counsel. Mr. Satterlee was named University Counsel in 2005. Prior to holding the position of University Counsel, Mr. Satterlee served as Associate Vice President for Planning and Special Assistant to the Vice President for Finance and Administration at the University. Prior to joining the University, Mr. Satterlee served as Chief Legal Officer for the State Board of Education, Deputy Attorney General for the State of Idaho representing numerous state agencies including the Office of the Governor, and worked in private practice. Mr. Satterlee received his undergraduate degree in political science magna cum laude from the University and his Juris Doctor from the University of Idaho, also magna cum laude.

CERTAIN UNIVERSITY FACILITIES

General. The University's Boise campus includes approximately 90 buildings situated on approximately 170 acres. In addition, the University offers courses and programs in several off-campus centers including the Canyon County Center, the Twin Falls Center, the Mountain Home Air Force Base Center, and the Gowen Field Center.

The following is a description of the University's major facilities from which Sales and Services Revenues are derived, including Student Union and Housing System facilities, spectator and recreation facilities, and parking facilities.

Student Union and Housing System. The University's Housing System currently consists of (i) six residence halls, three of which are dormitory-style buildings and three of which are suite-style buildings, (ii) five apartment complexes for upper-classmen family housing; and (iii) the Student Union Building.

University Residence Halls. The three residence halls and three suite-style halls can accommodate up to 1,497 students. The University's residence halls offer a variety of amenities, including computer labs and in-room high-speed internet connections; recreational and lounge space; laundry facilities; kitchen areas; and academic/study space. For fiscal years 2006, 2007 and 2008, the average occupancy rates for the University's residence halls were 97.5%, 99.5% and 93.2%, respectively, at the end of fall semester. In addition, the University has used the University Inn, a former motel purchased by the University, during 2007 and 2008 to house an additional 50 students. The Inn is a temporary accommodation while the University pursues additional housing options.

University Apartments. Currently, the University has five apartment complexes available for students and their families, which provide 307 apartments ranging in size from one bedroom to three bedrooms. The average occupancy rates for the University's apartments was 99% for each of the past three fiscal years.

Student Union Building. Initially constructed in 1967, expanded in 1988, and expanded again in 2008, the Student Union Building provides extensive conference and meeting spaces, a 430-seat performance theater, a retail food-court, a new central production kitchen, a resident student and visitor dining facility, an expanded University Bookstore, a convenience store, a games area, and offices for student government and student activities. The facilities infrastructure includes high-speed LAN and video data capabilities and public lounges with wireless network capabilities. The 66,000-square-foot expansion opened on-time and on-budget in January 2009. The project also includes remodeling of 27,000 existing square feet, which has opened in phases and will be completed by June 2009. The finished building will total 252,000 square feet.

Spectator and Recreation Facilities. The University's spectator and recreation facilities include Bronco Stadium, the Taco Bell Arena, the Recreation Center and the Morrison Center. The following is a brief description of these facilities.

Bronco Stadium. Originally constructed in 1970, expanded in 1997, and expanded again in 2008 to its current capacity of 32,000 seats, Bronco Stadium is Idaho's largest spectator facility. It is used for all of the University's intercollegiate home football games and track and field events as well as for most high school football games for the school districts in the Boise area. The recent expansion project included the addition of an enlarged and updated press box, stadium suites, premium seating, banquet facilities, a commercial kitchen, additional bookstore and office space, as well as concourse upgrades.

Taco Bell Arena. Taco Bell Arena was constructed in 1982 and serves as the University's indoor sports and entertainment complex. In its basketball configuration, the arena accommodates approximately 12,000 spectators. In addition to varsity sports

contests, including the NCAA Basketball Tournament, it has been used for concerts, Commencement ceremonies and other entertainment and community events, intramural activities and physical education classes. Taco Bell Arena also offers recreational indoor sports facilities, such as racquetball/handball courts, weight training rooms, and aerobic exercise and dance rooms. A portion of the Series 2009A Bonds will be used to finance safety and deferred maintenance improvements to the arena. See “THE SERIES 2009A PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Recreation Center. The Student Recreation Center was completed in fall 2001. It is approximately 98,700 square feet, and includes more than 25,000 square feet of open recreational space for three regulation-size basketball courts and a multipurpose gymnasium; a large aerobics/cardiovascular multipurpose workout space; five racquetball/handball/squash courts; a running track with banked turns; a climbing wall; a first-aid and athletic training area; classroom and activity spaces; and indoor/outdoor meeting space.

The Morrison Center. The Velma V. Morrison Center, which opened in 1984, is a 183,885 square foot center for performing arts that includes a ten-story stagehouse and seating for 2,000. The Morrison Center brings a wide range of artistic performances to the Boise community and provides academic instruction space at the University.

Parking Facilities. Parking is consistently regarded by administrators and students as a significant priority for the University. Currently, the University operates and maintains 65 surface parking lots and two parking garage facilities with a total of approximately 2,027 spaces, for a total of approximately 7,450 parking spaces. The University has a comprehensive parking plan to ensure that the parking system is financially self-supporting.

STUDENT BODY

The University enrolls more students than any other institution in Idaho. In addition to having students from every Idaho county, students from all 50 states and over 65 countries attend the University. The University enrolls large numbers of both traditional-age students and working adults. The following enrollment statistics are excerpted from reports filed with the State Board of Education as of the 10th day of enrollment of fall semester.

ENROLLMENT AND GRADUATION STATISTICS
(Fall Semester)

	2004	2005	2006	2007	2008
ENROLLMENT					
Headcount	18,418	18,650	18,880	19,540	19,667
Full-Time Equivalents	13,322	13,562	13,720	14,314	14,608
UNDERGRADUATE STUDENTS					
Full-Time	9,800	10,053	10,193	10,488	10,799
Part-Time	6,053	6,029	6,076	6,252	5,908
Applied Technology	1,060	1,036	947	1,073	995
GRADUATE STUDENTS					
Full-Time	435	434	533	584	638
Part-Time	1,070	1,098	1,131	1,143	1,330
STUDENTS FROM IDAHO	91%	91%	90%	89%	88%
FIRST YEAR UNDERGRADUATES					
Applied	5,887	5,264	4,417 ¹	5,132	4,801
Admitted	4,189	4,001	3,098	3,014	3,296
Enrolled	2,431	2,262	2,261	2,280	2,214
ACT Mean Score	21	21.5	21.5	21.5	21.9
DEGREES CONFERRED (fiscal year)					
Diploma	223	198	191	195	148
Associate	403	447	481	484	434
Bachelor	1,823	1,661	1,771	1,874	1,920
Master	395	397	410	440	482
Doctorate	6	1	11	5	1
Graduate Certificate ²	-	2	7	23	40

¹ The definition of first year applicants was refined in 2006 to exclude certain categories of students, including non-degree, concurrent enrollment, and Bridge Program students, and new students who began attending the University the previous summer.

² The University began awarding Graduate Certificates in 2005.

The University is the largest university in Idaho, with spring 2009 semester enrollment of 18,963 students (based on headcount, with full-time-equivalent enrollment of 14,103). The University has experienced record-breaking enrollments for 12 out of the last 13 years. Enrollment has grown 30% over that period. In the fall of 2003, the University began to raise admission standards to control growth. The fall 2008 student body includes a record 21 National Merit Finalists, including 10 incoming National Merit Scholars.

Impact of College of Western Idaho. Classes at the College of Western Idaho (“CWI”), Idaho’s newest community college, commenced in January 2009. In December 2008, the Idaho State Board of Education completed the transfer of 100 acres located in Nampa, Idaho and the accompanying approximately 65,000 square foot academic and support building from the

University to the CWI. On July 1, 2009, the University will transfer its applied technology program to CWI. The University expects that the transfer of the applied technology program may reduce enrollment at the University by up to 1,200 students, although the University anticipates that such impact may be at least partially offset by general increases in enrollment that the University has historically experienced during periods of economic decline. The University estimates that a decline in enrollment could result in a decline in total University general account revenues (net of amounts that would have been expended to operate the applied technology program) of up to approximately \$3 million per year.

EMPLOYEES

As of June 30, 2008, the University had 3,657 employees. Faculty and staff included 701 professional staff, 757 faculty, 217 other academic appointments, which include roles such as research assistants and adult basic education instructors, and 1,040 classified employees.* Classified employees are subject to the State's civil service system. The University also employs approximately 942 students. The University is not a party to any collective bargaining agreement, although there are employee associations that bring any salary issues and other concerns to the attention of the University. The University considers relations with its employees to be good.

EMPLOYEE RETIREMENT PLAN

All benefit eligible employees must enroll in one of two retirement plans—the State's Public Employees' Retirement System of Idaho ("*PERSI*") or the Optional Retirement Program ("*ORP*"), which is a plan offered to faculty and non-classified staff effective 1990 and thereafter.

The University's employees, including its faculty hired prior to July 1, 1990, are covered under PERSI. PERSI covers eligible personnel who work 20 hours or more per week. All personnel who work 20 hours or more per week for five consecutive months must participate in either PERSI or ORP. The membership of PERSI includes employees of the State, teachers, firefighters, police and employees of political subdivisions, local school districts, colleges and universities.

Faculty and non-classified staff hired on or after July 1, 1990 have been enrolled in ORP, and faculty and staff hired before that date were offered a one-time opportunity in 1990 to withdraw from PERSI and join the ORP. New faculty and professional staff who are vested in PERSI have the option of remaining in or returning to PERSI with written affirmation of this decision within 60 days of employment. The ORP is a portable, defined contribution retirement plan with options offered by Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and Variable Annuity Life Insurance Company (VALIC). The total contribution rate is the same for all employees, with a portion of the employer's

*

As of June 30, 2008, 355 of the University's employees were part of the Seland College, the University's applied technology program, which is being transferred to CWI on July 1, 2009, as described above.

contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2015.

For information concerning post-retirement benefits other than pensions, see Note 11 of "APPENDIX A — AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

INSURANCE

The University has liability coverage under commercial insurance policies and self-insurance through the State of Idaho Retained Risk Fund. University buildings are covered by all-risk property insurance on a replacement cost basis.

FINANCIAL INFORMATION REGARDING THE UNIVERSITY

The principal sources of University revenues are direct appropriation of State revenues by the State legislature (the "*Legislature*"), Student Fees, federal government appropriations, grants and contracts, gifts to the University, F&A Recovery Revenues, Investment Income, Sales and Services Revenues, and Other Operating Revenues. Of these revenue sources, Student Fees, Investment Income, Sales and Services Revenues, F&A Recovery Revenues, and Other Operating Revenues are pledged to the Bonds, except certain of these revenues are pledged on a subordinate basis to the extent such revenues have previously been pledged to secure the Building Fee Bonds. See "SECURITY FOR THE SERIES 2009A BONDS." Certain of the revenue sources that are not pledged as security for the Bonds are described below.

STATE APPROPRIATIONS

Legislatively-approved State general account appropriations represent approximately one-third of the University's annual revenues. The Legislature meets beginning in January of each calendar year and sets budgets and appropriations for all agencies and departments of State government for the fiscal year beginning the following July 1. The Legislature may also make adjustments to budgets and appropriations for the fiscal year during which the Legislature is meeting.

If, in the course of a fiscal year, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor by executive order may reduce ("*Holdback*") the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State or request a reversion ("*Reversion*") of appropriations back to the State to balance the State budget. The Governor recently ordered two Holdbacks in appropriations to the University, totaling \$3.5 million and representing approximately 4% of the original \$87,587,000 amount appropriated by the State to the

University for the 2009 fiscal year.* In addition, based on estimates received from the State, the University expects that the amount appropriated to the University for the next several fiscal years will be up to 10% less than the amount originally appropriated for the 2008 fiscal year.

State appropriations are not pledged as security for the Bonds. However, Holdbacks, Reversions or reductions in the amount appropriated to the University could materially impact the University's financial and operating position. The University is implementing a variety of strategies in response to the Holdbacks and the scheduled reduction in State appropriations, including delaying or canceling certain capital projects and property purchases, increasing class sizes or eliminating unneeded sections, reducing personnel costs, and otherwise reviewing academic and administrative operations to determine how to operate more efficiently. To reduce personnel costs, which represent approximately 80% of the University's operating budget, all vacant positions are being reviewed with the President of the University to determine the impact of eliminating the positions or delaying the replacement hires. Overtime and supplemental pay is being reviewed and reduced, and travel has been curtailed. Academic programs are being evaluated to determine their strategic importance to the University, and new programs are being delayed or implemented in stages over longer periods of time than originally contemplated.

The table below sets forth the legislative appropriations from the State General Fund for all higher education institutions and for the University, net of Reversions and Holdbacks, for the years shown.

STATE GENERAL FUND APPROPRIATIONS *

FISCAL YEAR	<u>2005</u>	<u>2006</u>	<u>2007</u> **	<u>2008</u>	<u>2009</u>
All Higher Education	\$233,386,700	\$238,435,700	\$243,726,400	\$264,227,700	\$285,151,500
Boise State University	68,438,600	71,116,500	75,070,300	80,170,800	84,083,520***
Percentage Increase (Decrease) over prior year for the University	1.7%	3.9%	5.6%	6.8%	4.9%

* Excludes appropriations to the Seland College, the University's applied technology program. The applied technology program will be transferred to the College of Western Idaho in July 2009. See "THE UNIVERSITY—Student Body—*Impact of College of Western Idaho*." The fiscal year 2009 appropriation attributable to the Seland College was approximately \$7.6 million.

** Includes a one-time appropriation in the amount of \$1,279,599 for the "27th payroll" (the additional payroll that occurs every ten years in a biweekly payroll system).

*** Net of the 4% Holdback of \$3,503,480.

GRANTS AND CONTRACTS

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's current revenues. The use of such funds is usually restricted to specific projects and is not included in the budget for the University. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, student aid programs, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these grants and contracts. For fiscal year 2008, total grants and contracts totaled \$45,157,025. The University received \$14,308,303 in federal Pell Grants for the 2008 academic year.

FINANCIAL AID

Direct financial aid to students, primarily in the form of student loans, scholarships, grants, student employment, awards, and deferred payments, totaled approximately \$83,869,204 for the 2007 to 2008 academic year. Of such amount, approximately \$56,880,318 was in the form of direct student loans. The University estimates that direct financial aid to students will total approximately \$90 million for the 2008 to 2009 academic year, of which approximately \$62 million is in the form of direct student loans. Due to uncertainty with respect to the amount of federal grants, donations, and other sources the University expects to receive for the purpose of providing financial aid, the University cannot determine the amount of financial aid that will be available in future years.

BUDGET PROCESS

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

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

INVESTMENT POLICY

Board policy establishes permitted investment categories for the University. The University's investment policy establishes, in order of priority, safety of principle, ensuring necessary liquidity, and achieving a maximum return, as the objectives of its investment portfolio. See Footnote 2 to the Financial Statements in APPENDIX A. Moneys in Funds and

Accounts established under the Bond Resolution are required to be invested in Investment Securities, as described in “APPENDIX D–SUMMARY OF PROVISIONS OF THE RESOLUTION–Establishment of Funds; Flow of Funds–Investment of Funds.” The University has not experienced any significant recent investment losses or unexpected limitations on the liquidity of its short-term investments.

NO INTEREST RATE SWAPS

The University has not entered into any interest rate swaps or other derivative products.

BOISE STATE UNIVERSITY FOUNDATION, INC.

The Boise State University Foundation, Inc. (the “*BSU Foundation*”) is a nonprofit corporation organized under Idaho law in 1967. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. An approximately 40-member board of directors manages the BSU Foundation. Mark W. Literas currently serves as Chairman of the Board of the BSU Foundation.

Financial statements for the BSU Foundation and the Boise State Athletic Association (the “*BAA*”) are contained in Note 13 to the University’s financial statements. See APPENDIX A. Combined net assets of the BSU Foundation and the BAA at June 30, 2008 were \$134,552,693.

FUTURE CAPITAL PROJECTS

To address the educational needs of the region and the facilities needs of the growing student body, the University implemented a Strategic Facility Fee in 2006. The Strategic Facility Fee increased from \$25 in the fall of 2006 to \$210 for fiscal year 2009. Revenues from the Strategic Facility Fee are intended to be used together with donations, State of Idaho Permanent Building Fund monies, capital grants and university reserves to provide funds for construction of buildings pursuant to the University’s Campus Master Plan.

The University currently estimates that it will issue approximately \$36 million of Bonds during the next five years to finance the construction of a College of Business and Economics building and possibly an additional parking deck. The University is also considering a ground lease of land to a private developer in connection with the construction by such developer of housing facilities for approximately 1,200 beds, which would be owned by the University and managed by the developer. If the University enters into this transaction, completion of the housing facilities would be projected to occur in the fall of 2010.

The University may not undertake any capital project or long-term financing without prior Board approval.

COMPREHENSIVE CAMPAIGN

The University's Foundation is in the second year of a comprehensive fundraising campaign. The campaign has generated \$105 million toward a goal of \$175 million. The campaign will generate funds for facilities, endowed faculty, endowed scholarships and direct academic support.

OUTSTANDING DEBT

The University has the following debt outstanding:

OUTSTANDING BONDS	ORIGINAL ISSUE AMOUNT	AMOUNT OUTSTANDING
<i>General Revenue Bonds</i>		
Housing System Revenue Bonds, Series 1998 ¹	\$ 7,860,000	\$ 7,100,000
Housing System Refunding and Improvement Revenue Bonds, Series 2002	38,255,000	165,000
Housing System Refunding Revenue Bonds, Series 2003	6,620,000	5,495,000
General Revenue Bonds, Series 2004A	31,480,000	29,035,000
General Revenue and Refunding Bonds, Series 2005A	21,925,000	21,010,000
General Revenue and Refunding Bonds, Series 2007A	96,365,000	96,365,000
General Revenue Bonds, Series 2007B	25,860,000	25,860,000
General Revenue Bonds, Series 2005C (Taxable)	2,850,000	2,850,000
<i>Other Obligations</i>		
Student Building Fee Refunding Revenue Bonds, Series 1996	14,115,000	1,365,000
Student Fee Refunding and Improvement Revenue Bonds, Series 1998 ²	24,060,000	5,490,000
Student Building Fee Revenue Bonds, Series 2001 ³	4,455,000	635,000
Subordinated Revenue Note, Series 2007	3,325,000	3,325,000
2006 Bronco Stadium Expansion Loan ⁴	3,381,000	2,804,000
2001 Bank Line of Credit ⁴	5,000,000	2,127,000
Capital Leases for Building and Equipment ⁴	<u>7,039,000</u>	<u>3,877,986</u>
Total:	<u>\$292,590,000</u>	<u>\$207,503,986</u>

¹ Includes the Series 1998 General Revenue Refunded Bonds.

² Includes the Series 1998 Student Fee Refunded Bonds.

³ Includes the Series 2001 Refunded Bonds.

⁴ Amount outstanding as of June 30, 2008.

For additional information regarding the University's outstanding obligations, see Footnotes 7, 8 and 9 to the Financial Statements in APPENDIX A.

FINANCIAL STATEMENTS

The financial statements of the University as of and for the years ended June 30, 2008 and 2007, which are included as Appendix A to this Official Statement, have been audited by Moss-Adams LLP, independent auditors, as stated in their report appearing therein.

Moss-Adams has not been engaged to perform and has not performed, since the date of such report, any procedures on the financial statements addressed in the report. Moss-Adams has not performed any procedures relating to this Official Statement, and has not consented to the use of the financial statements of the University in this Official Statement.

TAX EXEMPTION

FEDERAL INCOME TAXATION

Federal tax law contains a number of requirements and restrictions which apply to the Series 2009A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The University has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2009A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2009A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2009A Bonds.

Subject to the University's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2009A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Series 2009A Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The Internal Revenue Code of 1986, as amended (the "*Code*") includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Series 2009A Bonds.

In rendering its opinion, Bond Counsel will rely upon certifications of the University with respect to certain material facts within the University's knowledge and upon the mathematical computation of the yield on the Series 2009A Bonds and the yield on certain investments by The Arbitrage Group, Inc.. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Series 2009A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may

be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2009A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “*Issue Price*”) for each maturity of the Series 2009A Bonds is the price at which a substantial amount of such maturity of the Series 2009A Bonds is first sold to the public. The Issue Price of a maturity of the Series 2009A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Series 2009A Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Series 2009A Bonds (the “*OID Bonds*”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the University comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Series 2009A Bonds who dispose of Series 2009A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2009A Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Series 2009A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2009A Bond is purchased at any time for a price that is less than the Series 2009A Bond’s stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the “*Revised Issue Price*”), the purchaser will be treated as having purchased a Series 2009A Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2009A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary

market price of such Series 2009A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2009A Bonds.

An investor may purchase a Series 2009A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2009A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Series 2009A Bond. Investors who purchase a Series 2009A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2009A Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2009A Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2009A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2009A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “*Service*”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2009A Bonds. If an audit is commenced, under current procedures the Service may treat the University as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2009A Bonds until the audit is concluded, regardless of the ultimate outcome.

IDAHO INCOME TAXATION

In the opinion of Bond Counsel, under the laws of the State of Idaho, as presently enacted and construed, interest on the Series 2009A Bonds, so long as it is not includible in gross income for federal income tax purposes, is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act. Ownership or disposition of the Series 2009A Bonds may result in other State tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2009A Bonds. Bond Counsel expresses no opinion with respect to taxation under any other provisions of State law. Prospective purchasers of the Series 2009A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

UNDERWRITING

The Series 2009A Bonds are being purchased by Barclays Capital Inc. (the “Underwriter”). The purchase contract provides that the Underwriter will purchase all of the Series 2009A Bonds, if any are purchased, at a price of \$_____, representing the principal amount of the Series 2009A Bonds, plus net original issuance premium of \$_____, less an Underwriter’s fee of \$_____.

The Underwriter may offer and sell the Series 2009A Bonds to certain dealers (including dealers depositing the Series 2009A Bonds in investment trusts) and others at prices lower than the initial offering prices stated on the cover page hereof.

RATINGS

Moody’s and S&P have assigned their municipal bond ratings of “A1” and “A+,” respectively, to the Series 2009A Bonds.

The ratings reflect only the views of the rating agencies. An explanation of the significance of the ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that the ratings may not be revised or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Any downward revision or withdrawal of such ratings will be likely to have an adverse effect on the market price or marketability of the Series 2009A Bonds.

LITIGATION

The University has reported that, as of the date hereof, there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance or sale of the Series 2009A Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2009A Bonds, the pledge and application of Pledged Revenues, or the existence or powers of the University.

APPROVAL OF LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2009A Bonds are subject to the approval of Chapman and Cutler LLP, Bond Counsel to the University. Bond Counsel’s approving opinion in the form of APPENDIX F hereto will be delivered with the Series 2009A Bonds. Certain legal matters will be passed upon for the University by its counsel, Kevin D. Satterlee, Esq. Certain Matters will be passed upon for the Underwriter by Chapman and Cutler LLP, in its role as Disclosure Counsel to the University.

CONTINUING DISCLOSURE

The University will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the Beneficial Owners of the Series 2009A Bonds. Pursuant to the Undertaking, the University will agree to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission (the “*Commission*”). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the Undertaking, the proposed form of which is attached as APPENDIX E to this Official Statement.

The University is in compliance with every undertaking previously entered into by it pursuant to the Rule. A failure by the University to comply with the Undertaking will not constitute an Event of Default under the Resolution, and Beneficial Owners of the Series 2009A Bonds are limited to the remedies described in the Undertaking. See APPENDIX E “FORM OF CONTINUING DISCLOSURE UNDERTAKING—Consequences of Failure of the Issuer to Provide Information.” A failure by the University to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2009A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2009A Bonds and their market price.

BOISE STATE UNIVERSITY

By _____
Bursar and Vice President
for Finance and Administration

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Boise State University

Independent Auditor's Report and Financial Statements

June 30, 2008 and 2007
Including Single Audit Reports
for the year ended June 30, 2008



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INDEPENDENT AUDITOR'S REPORT

Idaho State Board of Education
Boise State University
Boise, Idaho

We have audited the accompanying financial statements of Boise State University (University) as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of Boise State University's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Boise State University's discretely presented component units as described in Note 13. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the report of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Boise State University and its discretely presented component units as of June 30, 2008 and 2007, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1B to the financial statements, on July 1, 2007, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 required the University to recognize and match other postemployment benefit costs with related services received and disclose additional information.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2008, on our consideration of Boise State University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the University's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moss Adams LLP

Eugene, Oregon
November 4, 2008

Boise State University

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

Management's Discussion and Analysis ("MD&A") presents an overview of the financial performance of Boise State University (the "University") based on currently known facts, decisions and conditions and is designed to assist readers in understanding the accompanying financial statements. The MD&A discusses financial performance during the current year in comparison to prior years with emphasis on the current year.

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2008 and June 30, 2007 are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles. There are three financial statements presented: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

The University discloses, as a component unit, any significant organizations that raise and hold economic resources for the direct benefit of the University. Organizations that are legally separate, tax-exempt entities that satisfy the criteria of GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14"* should be discretely presented as component units. The Boise State University Foundation, Inc. and the Bronco Athletic Association, Inc. are considered component units of the University.

Statement of Net Assets

The statement of net assets presents the assets, liabilities, and net assets of the University as of the current fiscal year-end in comparative format

with the prior fiscal year-end. The purpose of the statement of net assets is to present to the readers of the financial statements a point-in-time fiscal snapshot of the University. The statement of net assets presents end-of-year data concerning assets (current and non-current), liabilities (current and non-current) and net assets (assets minus liabilities). The difference between the current and non-current classification is discussed in the footnotes to the financial statements.

From the data presented, readers of the statement of net assets are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors and lending institutions. Finally, the statement of net assets provides a picture of the net assets, (assets minus liabilities) and their availability for expenditure by the University.

Net assets are divided into four major categories. The first category, invested in capital assets, net of related debt, provides the University's equity in capital assets. The second net asset category is restricted, non-expendable net assets. Restricted, non-expendable net assets are those that are required to be retained in perpetuity. The next net asset category is restricted, expendable net assets. Restricted, expendable net assets are available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets are available to the University for any lawful purpose of the institution.

Boise State University

Summary Statements of Net Assets			
As of June 30			
(Dollars in Thousands)			
	2008	2007	2006
ASSETS:			
Current assets	\$ 101,473	\$ 94,485	\$ 68,271
Capital assets, net	348,974	304,028	260,602
Other assets	84,345	121,452	60,245
Total assets	<u>\$ 534,792</u>	<u>\$ 519,965</u>	<u>\$ 389,118</u>
LIABILITIES:			
Current liabilities	\$ 47,824	\$ 39,923	\$ 29,467
Non-current liabilities	210,651	215,855	137,556
Total liabilities	258,475	255,778	167,023
NET ASSETS:			
Invested in capital assets, net of related debt	167,966	160,800	142,498
Restricted, expendable	22,892	20,246	18,347
Restricted, non-expendable	-	-	-
Unrestricted	85,459	83,141	61,250
Total net assets	<u>276,317</u>	<u>264,187</u>	<u>222,095</u>
Total liabilities and net assets	<u>\$ 534,792</u>	<u>\$ 519,965</u>	<u>\$ 389,118</u>

The University's total assets increased during fiscal year 2008 by \$14,826,660 from \$519,964,848 in 2007 to \$534,791,508 in 2008. Capital assets grew with the University's large construction projects, but were offset by the reduction of other assets (primarily investments) that were liquidated to provide construction

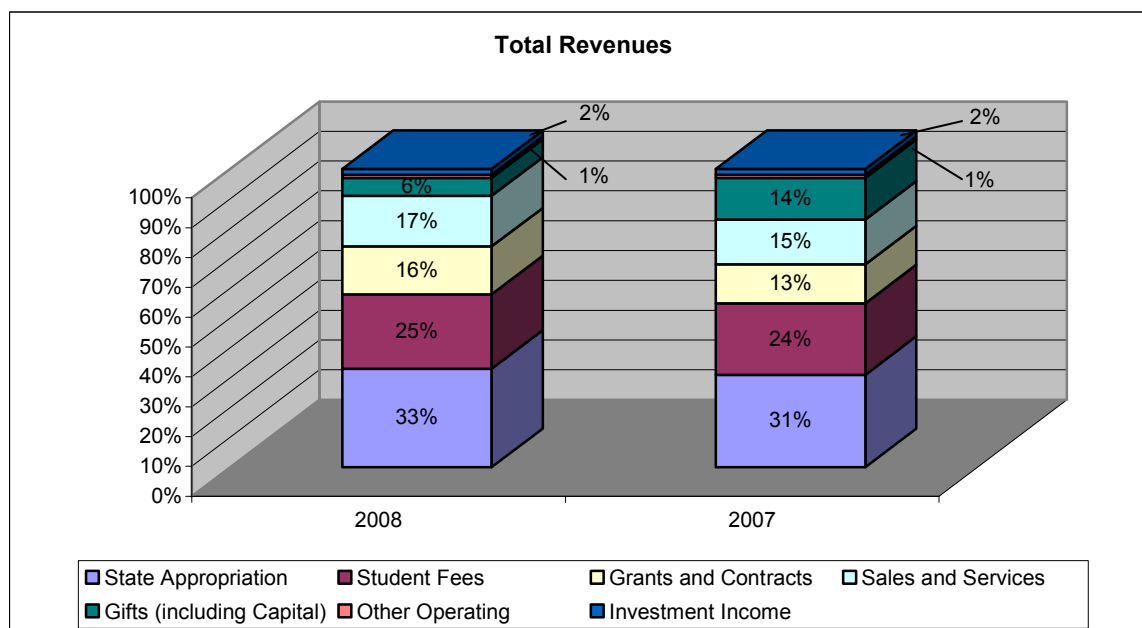
funds. The University's total liabilities increased slightly during fiscal year 2008 by \$2,696,391 from \$255,777,868 in 2007 to \$258,474,259 in 2008. While outstanding bonds payable principle decreased, a new accounting standard required the University to record liabilities for other post employment benefit obligations.

Statement of Revenues, Expenses, and Changes in Net Assets

Changes in total net assets, as presented on the statement of net assets, are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of the statement is to present the revenues (operating and non-operating) received by the University and its component units, and the expenses (operating and non-operating) paid by the institution and its component units and any other revenues, expenses, gains and losses received or spent by the University and its component units. The University will always reflect a net operating loss because state general fund appropriations are not reported as operating revenues. Generally speaking, operating revenues are generated by providing services to the various customers, students and constituencies of the University.

Operating expenses are those expenses paid to acquire or produce the services provided in return for operating revenues and to carry out the functions of the University. Non-operating revenues are revenues received for which services are not provided. For example, state general funds are non-operating because the Idaho State Legislative process provides them to the University without the Legislature directly receiving services for those revenues. GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities" defines those revenues to be non-operating.

Boise State University



Summary Statements of Revenues, Expenses, and Changes in Net Assets

Fiscal Years Ended June 30

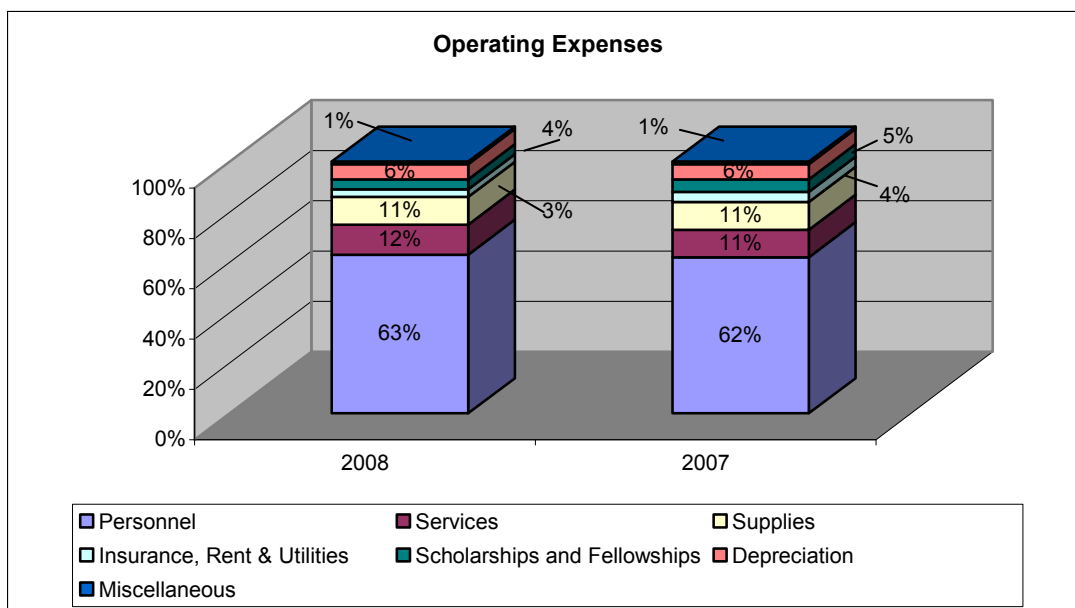
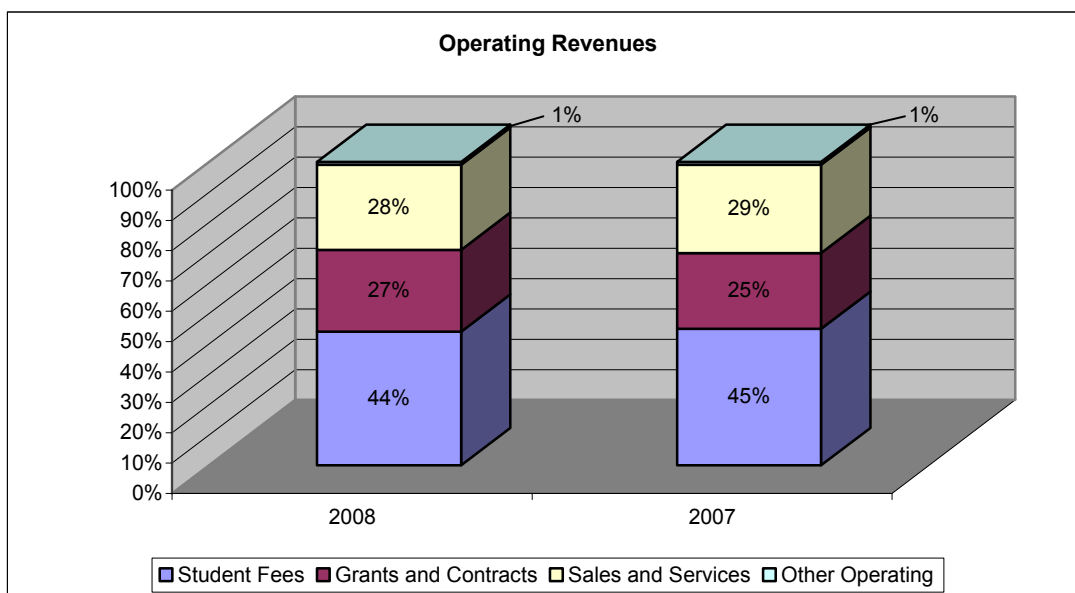
(Dollars in Thousands)

	2008	2007	2006
Operating revenues	\$ 165,168	\$ 147,956	\$ 139,574
Operating expenses	257,731	220,575	17,897
Operating loss	(92,563)	(72,619)	323
Non-operating revenues and expenses	103,029	100,504	87,815
Income before other revenues, expenses, gains or losses	10,466	19,885	492
Other revenues and expenses	1,664	24,207	5,863
Increase in net assets	12,130	45,092	355
Net assets—Beginning of year	264,187	222,095	06,740
Net assets—End of year	\$ 276,317	\$ 264,187	\$ 22,095

The statement of revenues, expenses, and changes in net assets reflects an overall increase in net assets during fiscal year 2008. Operating revenues increased by \$17,211,376 from \$147,956,180 in 2007 to \$165,167,556 in 2008. This increase is caused, in part, by increases in student fees. Tuition and fee rates increased by 6.1% and enrollment increased by 4.3%, increasing net student fee revenues by \$5.4 million. In addition, the University's continued focus on research resulted in a \$7.6 million increase in grant revenues, and auxiliary enterprise revenues, spurred by athletic ticket sales, increased by \$3.4 million in 2008.

Operating expenses increased by \$27,155,052 from \$230,575,526 in 2007 to \$257,730,578 in 2008. Approximately \$19.5 million of this increase relates to personnel costs, as the University implemented a legislatively supported 5% salary increase, and the workforce grew on average by 4.2%. Personnel costs also increased by \$3.6 million in 2008 with the implementation of a new accounting standard that requires the University to record expenses for retiree benefits, such as health care and life insurance. Expenses for services, and supplies rose in 2008, due to costs related to expanded facilities.

Boise State University



Boise State University

Statement of Cash Flows

The final statement presented by the University is the statement of cash flows. The statement of cash flows presents detailed information about the cash activity of the University during the year. The statement of cash flows is not presented for component units. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-

operating, non-investing and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the statement of revenues, expenses, and changes in net assets.

Summary Statements of Cash Flows			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2008	2007	2006
Cash provided (used) by:			
Operating activities	\$ (73,496)	\$ (62,748)	\$ (69,444)
Non-capital financing activities	107,810	98,248	92,212
Capital and related financing activities	(77,279)	42,072	(36,713)
Investing activities	<u>45,737</u>	<u>(67,273)</u>	<u>11,602</u>
Net change in cash	2,772	10,299	(2,343)
Cash—Beginning of year	<u>39,948</u>	<u>29,649</u>	<u>31,992</u>
Cash—End of year	\$ <u>42,720</u>	\$ <u>39,948</u>	\$ <u>29,649</u>

Overall, cash increased by \$2,772,033 during the year compared to a cash increase of \$10,299,850 last year. Cash used by capital and related financing activities totaled \$77.3 million in fiscal year 2008 compared to cash provided by capital and related financing activities of \$42.1 million in fiscal year 2007. The significant use by capital and related financing activities in 2008 is explained by the large construction projects in progress during the year. In contrast, 2007 capital and related financing activities provided significant cash from the issuance of new bonds. Cash provided by investing activities totaled \$45.7 million in 2008 compared to cash used by investing activities of \$67.3 million in 2007. This reflects the substantial liquidation of investments to

provide cash for construction projects in 2008 compared to the substantial investment of newly issued bond proceeds in 2007.

Capital Asset and Debt Administration

The University's capital assets, prior to depreciation, increased by \$55.4 million from \$450.3 million in 2007 to \$505.7 million in 2008. The University continued to build and acquire property and buildings consistent with the Campus Master Plan. Capital asset additions in 2008 included the completion of the Interactive Learning Center and a new parking structure with combined 2008 costs of \$4.7 million, \$25.7 million expended towards the Bronco Stadium addition, and \$1.6 million expended as the

Boise State University

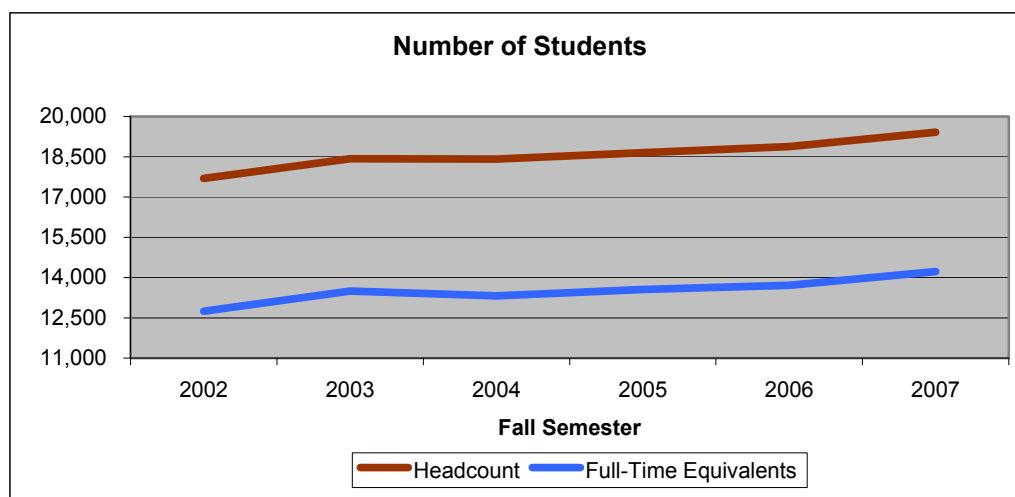
University continues the expansion and renovation of the Student Union Building. Total notes, bonds, and capital leases decreased by \$9.2 million from \$220.3 million in 2007 to \$211.1 million in 2008, due primarily to principal repayments on outstanding bonds, including a \$3.1 million payoff of a bond before maturity.

Economic Outlook

The State of Idaho concluded fiscal year 2008 with an approximate \$223.8 million surplus in the general fund. Revenues exceeded projections by \$47.8 million, adding to the planned surplus of \$176.0 million. However, the state legislature has allocated most of this surplus to future fiscal years. And the state's chief economist has reduced future economic projections for state revenues given weakness in the construction and high technology industries in Idaho.

Higher education in Idaho received, for fiscal year 2009, a 7.9% increase from fiscal year

2008 levels in appropriated funding. This was distributed across all institutions and is reflected in Boise State University's fiscal year 2009 appropriated budget as a 10.3% increase of \$8,311,900. In addition to increased state funding, Boise State University received permission to increase student fees for fiscal year 2009 by 5.0%. This increase represents a 2.6% increase in tuition and 2.4% increase in facility and activity fees. Boise State University has experienced record-breaking enrollment in 11 of the last 12 years that has put pressure on infrastructure. As a result, increases in funding are channeled to increasing square footage of facilities available and to faculty salaries to meet current student demand. In Fall of 2003, the University began to raise admission standards, which has helped slow growth to a manageable pace. Information available as of the date of the financial statements indicates that enrollment for Fall of 2008 is 1% higher than Fall 2007 levels.



The University continues to maintain a progressive management agenda through the execution of the strategic plan, the launching of a comprehensive fund raising campaign, the support of the newly founded College of Western Idaho, and the careful implementation of the Campus Facilities Master Plan.

The University's strategic plan, *Charting the Course*, lays out a road map for Boise State University to become a "Metropolitan Research University of Distinction." The destination will be reached through Academic Excellence, Public

Engagement, Vibrant Culture, and Exceptional Research.

The University's five year comprehensive fundraising campaign, *Destination Distinction*, is designed to support students, faculty, strategic initiatives, research and infrastructure. *Destination Distinction's* goal is to raise \$175 million. Through July 31, 2008, The University has raised \$96.8 million towards this goal.

The Campus Facilities Master Plan provides a coordinated set of initiatives for progressive improvement of the campus over the next

Boise State University

decade and beyond. Enabled by a Strategic Facility Fee, and with the Support of the Idaho State Board of Education, the University continues strong progress on the plan, with upcoming facilities initiatives including:

- The Norco Nursing Department and University Health Center, scheduled for completion in Fall, 2009.

- The Center for Environmental Science and Economic Development, a state-of-the-art interdisciplinary academic and research center.

- The College of Business and Economics Building, is supported in part by a generous

grant from the Micron Foundation. Fundraising efforts continue and the University plans to seek approval from the Idaho State Board of Education for this project within the next year.

The College of Western Idaho, approved by voters in May, 2008, is a new community college in Nampa, Idaho, approximately 20 miles west of Boise. The College will improve access to higher education in our region, and will compliment Boise State University's mission in a number of ways. The College will begin offering classes in the spring of 2009, and will ultimately deliver the professional technical education programs currently administered by the University.

Boise State University

STATEMENTS OF NET ASSETS
JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007	2008	2007
	University	University	Component Units	Component Units
ASSETS				
CURRENT ASSETS:				
Cash with treasurer	\$ 26,728,659	\$ 22,601,102	\$ -	\$ -
Cash and cash equivalents	15,991,760	17,347,284	1,857,146	1,643,182
Student loans receivable	1,226,174	2,357,802	-	-
Accounts receivable and unbilled charges, net	16,153,379	14,319,683	11,558,980	2,404,323
Prepaid expense	2,085,349	578,772	-	-
Inventories	3,454,114	2,768,504	-	-
Investments	33,136,060	33,368,354	2,000,000	1,600,000
Due from component units	2,359,966	947,023	-	-
Other current assets	337,086	196,150	442,018	72,106
Total current assets	101,472,547	94,484,674	15,858,144	319,611
NON-CURRENT ASSETS:				
Restricted cash	-	-	9,725,906	7,615,620
Accounts receivable, net	-	-	23,390,521	3,586,653
Student loans receivable, net	10,270,584	7,937,790	-	-
Investments	67,711,203	103,642,866	90,133,620	85,743,352
Investments held in trust	497,136	3,212,534	763,879	756,185
Investment in lease	-	-	2,880,499	3,171,665
Deferred bond financing costs	4,940,628	6,252,595	-	-
Capital assets, net	348,974,477	304,028,470	1,718,064	1,712,488
Other assets	925,933	830,919	7 266	55,448
Total non-current assets	433,318,961	425,480,174	123,442,755	341,411
TOTAL ASSETS	\$ 534,791,508	\$ 519,964,848	\$ 145,300,899	\$ 109,661,022

See notes to financial statements.

Boise State University

STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007	2008	2007
	University	University	Component Units	Component Units
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$ 4,900,006	\$ 4,499,888	\$ 180,294	\$ 393,425
Due to state agencies	8,717,329	6,881,944	-	-
Accrued salaries and benefits payable	8,760,727	6,816,366	-	-
Compensated absences payable	5,929,643	5,054,973	-	-
Interest payable	2,363,632	2,964,274	41,383	43,965
Unearned revenue	9,705,125	7,314,122	1,987,676	1,899,562
Notes and bonds payable	5,799,412	5,355,438	265,000	255,000
Obligations under capital lease	393,226	375,494	-	-
Obligations under capital lease - component unit	265,000	255,000	-	-
Other liabilities	989,317	405,573	11,048,180	05,484
Total current liabilities	47,823,417	39,923,072	3,522,533	697,436
NON-CURRENT LIABILITIES:				
Unearned revenue	2,052,475	1,576,750	523,739	1,773,682
Notes and bonds payable	201,377,524	210,402,361	3,095,000	3,360,000
Amounts held in custody for others	-	-	1,968,347	1,467,693
Obligations under capital lease	567,962	958,887	-	-
Obligations under capital lease - component unit	2,651,798	2,916,798	-	-
Net Other Post Employment Benefits Obligation	3,555,632	-	-	-
Other liabilities	445,451	-	8,638,587	47,399
Total non-current liabilities	210,650,842	215,854,796	7,225,673	448,774
TOTAL LIABILITIES	258,474,259	255,777,868	10,748,206	146,210
NET ASSETS:				
Invested in capital assets, net of related debt	167,965,615	160,800,243	1,490,044	1,536,783
Restricted, expendable	22,892,158	20,246,055	70,183,808	38,455,719
Restricted, non-expendable	-	-	55,019,647	51,908,188
Unrestricted	85,459,476	83,140,682	7,859,194	614,122
TOTAL NET ASSETS	276,317,249	264,186,980	84,552,693	514,812
TOTAL LIABILITIES AND NET ASSETS	\$ 534,791,508	\$ 519,964,848	\$ 105,300,899	\$ 661,022

See notes to financial statements.

Boise State University

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007	2008	2007
	University	University	Component Units	Component Units
OPERATING REVENUES:				
Student fees, pledged for bonds	\$ 88,429,134	\$ 80,229,894	\$ -	\$ -
Scholarship allowance	(16,846,698)	(14,037,130)	-	-
Student fees, net	71,582,436	66,192,764		
Federal grants and contracts (including \$2,126,616 and \$2,308,184 of revenues pledged for bonds in 2008 and 2007, respectively)	31,936,263	26,938,958	-	-
State and local grants and contracts (including \$655,473 and \$359,581 of revenues pledged for bonds in 2008 and 2007, respectively)	9,382,389	7,910,225	-	-
Private grants and contracts (including \$305,263 and \$267,579 of revenues pledged for bonds in 2008 and 2007, respectively)	3,838,373	2,728,830	-	-
Sales and services of educational activities, pledged for bonds	2,107,319	1,627,931	-	-
Sales and services of auxiliary enterprises, pledged for bonds	44,370,028	40,921,047	-	-
Gifts	-	-	46,822,352	17,233,400
Other, pledged for bonds	1,950,748	1,636,425	-	-
Other	-	-	1,078,476	386,192
Total operating revenues	165,167,556	147,956,180	48,900,828	619,592
OPERATING EXPENSES:				
Personnel cost	162,599,726	143,123,209	2,740,206	2,126,749
Services	29,621,624	26,185,475	1,161,084	633,207
Supplies	28,392,395	25,928,075	226,117	361,814
Insurance, utilities and rent	8,468,058	8,140,650	87,331	47,815
Scholarships and fellowships	10,276,477	10,564,205	-	-
Depreciation	15,208,376	13,703,934	47,439	300,747
Miscellaneous	3,163,922	2,929,978	6965,361	3,988
Total operating expenses	257,730,578	230,575,526	5,327,538	164,320
OPERATING (LOSS) INCOME	(92,563,022)	(82,619,346)	43,573,290	455,272

See notes to financial statements.

Boise State University

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007	2008	2007
	University	University	Component Units	Component Units
NON-OPERATING REVENUES (EXPENSES):				
State appropriations	\$ 92,409,481	\$ 86,374,683	\$ 1,094,563	\$ 1,003,524
Gifts (includes gifts from component units equal to \$8,907,839 and \$9,609,477 in 2008 and 2007, respectively)	15,712,592	14,859,072	-	-
Payments to Boise State University	-	-	(8,907,839)	(22,489,622)
Net investment income (including \$2,837,082 and \$1,850,657 of revenues pledged by the University for bonds in 2008 and 2007, respectively)	6,502,202	5,393,584	3,221,713	3,475,332
Change in fair value of investments (including (\$8,272) and \$362,906 of revenues pledged by the University for bonds in 2008 and 2007, respectively)	355,432	1,483,371	(3,294,428)	8,817,826
Interest (net of capitalized interest by the University of \$437,151 and \$179,148 in 2008 and 2007, respectively)	(10,433,981)	(6,852,509)	(168,114)	(176,204)
Gain (loss) on retirement of capital assets	(1,025,874)	(561,482)	442,589	771,620
Other	<u>(490,410)</u>	<u>(192,171)</u>	<u>766,107</u>	<u>607</u>
Net non-operating revenues (expenses)	<u>103,029,442</u>	<u>100,504,548</u>	<u>(7535,409)</u>	<u>520,917</u>
INCOME BEFORE OTHER REVENUES AND EXPENSES	10,466,420	17,885,202	35,037,881	5,934,355
OTHER REVENUES AND EXPENSES:				
Capital appropriations	523,006	1,293,000	-	-
Capital grants and gifts (includes gifts from component units equal to \$17,014,530 for 2007)	<u>2,140,843</u>	<u>2,913,541</u>	<u>-</u>	<u>-</u>
Total other revenue	<u>1,663,849</u>	<u>24,206,541</u>	<u>-</u>	<u>-</u>
INCREASE IN NET ASSETS	12,130,269	42,091,743	35,037,881	5,934,355
NET ASSETS—Beginning of year	<u>264,186,980</u>	<u>222,095,237</u>	<u>99,514,812</u>	<u>580,457</u>
NET ASSETS—End of year	<u>\$ 276,317,249</u>	<u>\$ 264,186,980</u>	<u>\$ 134,552,693</u>	<u>\$ 514,812</u>

See notes to financial statements.

Boise State University

STATEMENTS OF CASH FLOWS

FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student fees	\$ 71,885,722	\$ 66,021,475
Grants and contracts	43,930,690	36,837,558
Sales and services of educational activities	1,090,768	2,008,961
Sales and services of auxiliary enterprises	46,395,964	40,499,243
Other operating receipts	1,881,144	1,608,325
Payments to employees	(156,114,962)	(140,564,627)
Payments for services	(29,902,423)	(25,503,946)
Payments to suppliers	(29,649,076)	(21,908,142)
Payments for insurance, utilities and rent	(8,530,197)	(7,999,031)
Payments for scholarships and fellowships	(10,258,202)	(10,591,984)
Loans issued to students	(2,193,043)	(2,828,955)
Collections of loans to students	1,229,530	2,387,111
Other payments	(3,262,295)	(2,713,977)
Net cash used in operating activities	(73,496,380)	(62,747,989)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State appropriations	92,490,491	86,293,673
Gifts	15,319,532	11,954,142
Direct lending receipts	52,905,243	46,129,523
Direct lending payments	(52,905,243)	(46,129,523)
Net cash provided by non-capital financing activities	107,810,023	98,247,815
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and gifts	512,651	23,956,541
Purchases of capital assets	(59,756,312)	(58,445,825)
Proceeds from notes and bonds payable	-	86,851,332
Principal paid on notes and bonds payable and capital leases	(8,432,473)	(5,104,263)
Interest paid on notes and bonds payable and capital leases	(10,348,168)	(6,403,270)
Payments for bond issuance costs	-	(2,398,000)
Other	745,653	616,675
Net cash used in capital and related financing activities	(77,278,649)	42,073,190

See notes to financial statements.

Boise State University

STATEMENTS OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007

	2008	2007
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	\$ (215,368,992)	\$ (326,743,740)
Proceeds from sales and maturities of investments	254,113,364	253,054,201
Investment income	<u>6,992,667</u>	<u>6,416,373</u>
Net cash provided by investing activities	<u>45,737,039</u>	<u>(67,273,166)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER	2,772,033	10,299,850
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year	<u>39,948,386</u>	<u>29,648,536</u>
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year	<u>\$ 42,720,419</u>	<u>\$ 39,948,386</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (92,563,022)	\$ (82,619,346)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	15,266,618	13,757,705
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(2,159,542)	747,451
Student loans receivable, net	(1,201,167)	(303,865)
Inventories	(685,610)	(244,015)
Other assets	(3,117,272)	150,829
Accounts payable and accrued liabilities	517,329	2,830,111
Accrued salaries and benefits payable	2,120,061	1,091,395
Compensated absences payable	874,670	271,161
Unearned revenue	2,866,728	2,489,560
Other Post Employment Benefits Obligation	3,555,632	
Other liabilities	<u>1,029,195</u>	<u>(918,975)</u>
Net cash used in operating activities	<u>\$ (73,496,380)</u>	<u>\$ (62,747,989)</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Defeasance of debt	-	\$ 43,340,857
Donated assets	<u>\$ 518,461</u>	<u>\$ 131,898</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The University is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho reporting entity, and is directed by the State Board of Education ("SBOE"), a body that is appointed by the Governor and confirmed by the legislature. The University is part of the primary government of the State of Idaho and is included in the State's Comprehensive Annual Financial Report ("CAFR") within the Business-Type Activities/Enterprise Funds. The University's financial statements are prepared in accordance with pronouncements of the Governmental Accounting Standards Board ("GASB") and in accordance with Generally Accepted Accounting Principles ("GAAP").

Financial Statement Presentation — The University has adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement requires that the University account for and report the cost and obligations related to postemployment healthcare and other non-pension benefits ("OPEB") and include disclosures regarding its OPEB plans. OPEB costs are based on actuarially determined amounts that, if paid on an ongoing basis, would provide sufficient resources to pay benefits as they become due.

The University considers component units with net assets greater than five percent of the University's net assets to be significant. As such, The Boise State University Foundation, Inc. (The "Foundation") and the Bronco Athletic Association, Inc. (The "Association") are combined and discretely presented on the face of the Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets as required by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units." The Foundation was established for the purpose of soliciting donations and to hold and manage invested donations for the exclusive benefit of the University. The Association is a fundraising organization that provides financial assistance and services to the University intercollegiate

athletic department. Financial statements of the component units may be obtained from the Vice President for Finance and Administration at the University. Component units' financial statements are prepared in accordance with GASB pronouncements and in accordance with GAAP.

Basis of Accounting — For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The University has the option to apply all Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date.

Cash with Treasurer — Balances classified as cash with treasurer are amounts that have been remitted to the State of Idaho as a result of the student fee collection process and, once remitted, these balances are under the control of the State Treasurer. The University is not entitled to any interest earnings on these balances.

Cash and Cash Equivalents — The University considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents. Cash balances that are restricted or not expected to be expended within the subsequent fiscal year are classified as non-current assets.

Inventories — Inventories, consisting primarily of bookstore inventories, are valued at the lower of first-in, first-out ("FIFO") cost or market.

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Investments — The University accounts for its investments at fair value in accordance with GASB Statement No. 31, “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.” Changes in unrealized gains or losses on the carrying value of investments are reported as a component of change in fair value of investments in the statement of revenues, expenses, and changes in net assets. Investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets as well as investment amounts with maturities that exceed one year, are classified as non-current assets in the statement of net assets.

The University deposits funds for investment with the Idaho State Treasury. Funds deposited with the State Treasury can be subject to securities lending transactions initiated by the State Treasury.

Capital Assets, net — Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of gift. The University’s capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for land improvements, 10 years for library books, and 5 to 13 years for equipment. The University has certain collections that it does not capitalize, including the Nell Shipman Film collection and Albertson’s Library Special Collections. These collections adhere to the University’s policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at the time purchased rather than capitalized.

Non-current Liabilities — Non-current liabilities include principal amounts of revenue

bonds payable, notes payable, long-term capital lease obligations, net of their postemployment benefit obligations, non-current unearned revenue and arbitrage liabilities (presented in other liabilities).

Net Assets — The University’s net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt — This represents the University’s total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted, Expendable — Restricted, expendable net assets include resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted, Non-expendable — Restricted, non-expendable net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted — Unrestricted net assets represent resources derived from student fees, state appropriations, and salaries and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the University, and may be used to meet current expenses for any lawful purpose and in accordance with SBOE policy.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University’s policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Income and Unrelated Business Income Taxes — The University, as a political subdivision of the State of Idaho, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal

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Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated business income tax expense in the fiscal years ended June 30, 2008 or 2007.

Classification of Revenues and Expenses —

The University classifies its revenues and expenses as operating or non-operating according to the following criteria. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state, and local grants and contracts that are essentially contracts for services, and (4) interest earned on institutional student loans.

Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions, such as transactions related to capital financing activities or investing activities as defined by GASB Statement No. 9, *"Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."* Revenues from state general appropriations are classified as non-operating as defined by GASB Statement No. 34.

Scholarship Discounts and Allowances —

Student fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the University has recorded a scholarship discount or allowance.

Use of Accounting Estimates — The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and revenues and expenses during the year. Actual results could differ from those estimates.

Reclassifications — Certain prior year balances have been reclassified to conform to the current year presentation.

New Accounting Standards — In November 2006, the GASB issued Statement No. 49, *"Accounting and Financial Reporting for Pollution Remediation Obligations"*. This Statement addresses accounting and financial reporting standards for pollution (including contamination), remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Management has not yet determined the impact this standard will have on the University's financial statements. The requirements of this statement are effective for the fiscal year ending June 30, 2009.

In June 2007, the GASB issued Statement No. 51, *"Accounting and Financial Reporting for Intangible Assets"*. This Statement defines an intangible asset's required characteristics and generally requires that they be treated as capital assets. Management has not yet determined the impact this standard will have on the University's financial statements. The requirements of this Statement are effective for the fiscal year ending June 30, 2010.

In November 2007 the GASB issued Statement No. 52, *"Land and Other Real Estate Held as Investments by Endowments"*. This Statement establishes requirements for endowments to report their land and other real estate investments at fair value and requires the changes in fair value be reported as investment income. Management does not expect this standard will impact the University's financial statements as the University does not hold land and other real estate as investments. The requirements of

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this statement are effective for the fiscal year ending June 30, 2009.

In June 2008 the GASB issued Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments*." This Statement establishes recognition, measurement and

disclosure requirements for derivative instruments. Management has not yet determined the impact this standard will have on the University's financial statements. The requirements of this statement are effective for the fiscal year ending June 30, 2010.



Boise State Goes Green – Even in Winter

Boise State University

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, OTHER DEPOSITS, AND INVESTMENT

Deposits — Cash with treasurer is under the control of the State Treasurer and is carried at cost. Cash and cash equivalents are deposited with US Bank and are carried at cost. Custodial risk is the risk that in the event of a financial institution failure, the State's deposits may not be returned. The State's policy for managing custodial risk can be found in the Idaho Code, Section 67-2739.

Management believes the University is in compliance with the policy.

Cash that is restricted in purpose from an external source and is not expected to be utilized within the next fiscal year is reported on the financial statements as restricted cash and as a non-current asset.

Basis of Custodial Credit Risk as of June 30			
	2008		2007
Insured	\$	100,000	\$ 100,000
Uncollateralized		130,583	143,516
Collateralized by securities held by the pledging financial institution		15,761,177	17,103,768
Total	\$	15,991,760	\$ 17,347,284

Investments — Idaho Code, Section 67-1210, limits credit risk by restricting the investment activities of the Local Government Investment Pool ("LGIP") and state agencies. Idaho Code gives the SBOE the authority to establish investment policies for the Colleges and Universities. Section V, Subsection D of the Idaho SBOE Governing Policies and Procedures authorizes investments among some, but not all, of the investment types authorized for the State Treasurer.

Objectives of the University's investment policy are, in order of priority, safety of principal, ensuring necessary liquidity and achieving a maximum return. Covenants of certain bond resolutions also restrict investment of related funds to U.S. Government or government guaranteed securities.

The University invests in external investment

pools managed by the State of Idaho. The pools are managed by the State Treasurer's Office in compliance with Idaho Code, Sections 67-1201 through 67-1222. The University had \$49,579,384 and \$68,833,593 with market value invested in these external pools as of June 30, 2008 and 2007, respectively.

Investments Held-in-Trust represent government securities held in the University's name. The entire amount of these investments is restricted by bond indentures or other contractual agreements.

Credit Risk of Debt Securities — The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

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Ratings, as of June 30, are presented below using the Moody's scale. The State of Idaho external investment pools are rated AAAf by Standard and Poor's. This AAA rating

signifies that the portfolio holdings provide extremely strong protection against losses from credit defaults.

Investment Type	2008 (Dollars in Thousands)						
	Fair Value	AAA	AA1	AA2	AA3	A1	A2
Cash in Investment Balances	\$ 411	\$ 411					
External Investment Pools	49,579	49,579					
Investments Held in Trust	23	23					
Commercial Paper	1,322	100	\$ 102	\$ 46	\$ 729	\$ 294	\$ 51
Guaranteed Investment Contract	33,522				33,522		
US Treasury Notes	135	135					
Federal Farm Credit Bank	1,431	1,431					
Federal Home Loan Bank	4,357	4,357					
Federal Home Loan Mortg Corp	2,452	2,452					
Federal National Mortg Assoc	8,112	8,112					
Total Investments	\$ 101,344	\$ 66,600	\$ 102	\$ 46	\$ 34,251	\$ 294	\$ 51

Investment Type	2007 (Dollars in Thousands)						
	Fair Value	AAA	AA1	AA2	AA3	A1	A2
Cash in Investment Balances	\$ 663	\$ 663					
External Investment Pools	68,993	68,993					
Investments Held in Trust	2,738	2,738					
Commercial Paper	1,100	596	\$ 106	\$ 49	\$ 149	\$ 100	\$ 100
Guaranteed Investment Contract	46,843				46,843		
US Treasury Notes	6,116	6,116					
Federal Farm Credit Bank	1,403	1,403					
Federal Home Loan Bank	1,438	1,438					
Federal Home Loan Mortg Corp	5,525	5,525					
Federal National Mortg Assoc	5,405	5,405					
Total Investments	\$ 140,224	\$ 92,877	\$ 106	\$ 49	\$ 46,992	\$ 100	\$ 100

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Interest Rate Risk — Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest

rates. Less than 1% of total investments are invested in securities with periods longer than 5 years.

June 30, 2008 (Dollars in Thousands)				
Investment Type	Fair Value	Investment Maturities In Years		
		Less Than 1	1 to 5	6 to 10
Cash in Investment Balances	\$ 411	\$ 411	\$ -	\$ -
External Investment Pool	49,579	49,579	-	-
Investments Held in Trust	23	23	-	-
Commercial Paper	1,322	200	552	570
Guaranteed Investment Contract	33,522	33,522	-	-
US Treasury Notes	135	-	53	82
Federal Farm Credit Bank	1,431	1,431	-	-
Federal Home Loan Bank	4,357	4,188	169	-
Federal Home Loan Mortg Corp	2,452	2,288	-	164
Federal National Mortg Assoc	8,112	7,961	75	76
Total Rated Debt Securities	<u>\$ 101,344</u>	<u>\$ 99,603</u>	<u>\$ 849</u>	<u>\$ 892</u>

June 30, 2007 (Dollars in Thousands)				
Investment Type	Fair Value	Investment Maturities In Years		
		Less Than 1	1 to 5	6 to 10
Cash in Investment Balances	\$ 663	\$ 663	\$ -	\$ -
External Investment Pool	68,993	68,993	-	-
Investments Held in Trust	2,738	2,738	-	-
Commercial Paper	1,100	-	479	621
Guaranteed Investment Contract	46,843	-	46,843	-
US Treasury Notes	6,116	5,355	685	76
Federal Farm Credit Bank	1,403	1,403	-	-
Federal Home Loan Bank	1,438	974	464	-
Federal Home Loan Mortg Corp	5,525	5,351	-	174
Federal National Mortg Assoc	5,405	3,871	1,449	85
Total Rated Debt Securities	<u>\$ 140,224</u>	<u>\$ 89,348</u>	<u>\$ 49,920</u>	<u>\$ 956</u>

Concentration of Credit Risk — When investments are concentrated in one issuer, this concentration represents the heightened risk of potential loss. No specific percentage identifies when concentration of risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when five percent of the total government investments are

concentrated in any one issuer. AAA rated securities represented sixty-six percent and sixty-six percent of the portfolio as of June 30, 2008 and June 30, 2007 respectively, mitigating the risk of concentration. Thirty-three percent of the total portfolio (2 007A construction funds) is represented by a guaranteed investment contract at a fixed rate of 5.038% interest to mature June 1, 2009.

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Investment Type	June 30, 2008 (Dollars in Thousands)		June 30, 2007 (Dollars in Thousands)	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
Cash in Investment Balances	\$ 411	0.41%	\$ 663	0.47%
External Investment Pools	49,579	48.92%	68,993	49.21%
Investments Held in Trust	23	0.02%	2,738	1.95%
Commercial Paper	1,322	1.30%	1,100	0.78%
Guaranteed Investment Contract	33,522	33.08%	46,843	33.41%
US Treasury Notes	135	0.13%	6,116	4.36%
Federal Farm Credit Bank	1,431	1.41%	1,403	1.00%
Federal Home Loan Bank	4,357	4.30%	1,438	1.03%
Federal Home Loan Mortgage Corp	2,452	2.42%	5,525	3.94%
Federal National Mortgage Assoc	8,112	8.01%	5,405	3.85%
Total Investments	\$ 101,344	100.00%	\$ 140,224	100.00%

The University is subject to policies as defined by the State of Idaho with respect to investments. The University has not adopted a formal policy addressing interest rate and concentration of credit risk.



The Student Union Building Expansion Begins to Take Shape

Boise State University

3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

Accounts receivable and unbilled charges refer to the portions due to the University, as of June 30, by various customers, students

and constituencies of the University as a result of providing services to said groups.

	2008	2007
Student fees	\$ 7,704,526	\$ 8,067,123
Auxiliary enterprises and other operating activities	3,216,340	3,184,005
Federal, state, and private grants and contracts	1,338,493	906,687
Unbilled charges	<u>6,208,594</u>	<u>5,317,726</u>
Accounts receivable and unbilled charges	18,467,953	17,475,541
Less allowance for doubtful accounts	<u>(2,314,574)</u>	<u>(3,155,858)</u>
Accounts receivable and unbilled charges, net	<u>\$ 16,153,379</u>	<u>\$ 14,319,683</u>

4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the loans receivable at June 30, 2008 and 2007. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to maximum of 100% if the participant complies with certain provisions. The Federal Government reimburses the University for amounts cancelled under these provisions.

Loans receivable from students bear interest at rates ranging from 5% to 10% and are generally repayable in installments to the University over a 5 to 10 year period commencing 3 or 9 months after the date of separation from the University. The University outsources the loan servicing to a third party vendor.

As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. The allowance for uncollectible loans was \$23,400 and \$24,450 for fiscal years ending June 30, 2008 and 2007, respectively.

In the event the University should withdraw from the Program or the Federal Government was to cancel the Program, the University would be required to repay \$8,209,463 as of June 30, 2008.

Boise State University

5. CAPITAL ASSETS, NET

Following are the changes in capital assets for the years ended June 30, 2008 and 2007:

	2008 (Dollars in Thousands)				
	Balance Bal July 1, 2007	Additions	Transfers	Retirements	Balance June 30, 2008
Capital assets not being depreciated:					
Land	\$ 38,615	\$ 2,724	\$ -	\$ -	\$ 41,339
Construction in progress	39,384	52,431	(35,325)	-	56,490
Total assets not being depreciated	<u>77,999</u>	<u>55,155</u>	<u>(35,325)</u>	<u>-</u>	<u>97,829</u>
Other capital assets:					
Buildings and improvements	284,731	111	34,568	(698)	318,712
Furniture and equipment	56,051	4,018	757	(3,809)	57,017
Library materials	31,495	2,190	-	(1,550)	32,135
Total other capital assets	<u>372,277</u>	<u>6,319</u>	<u>35,325</u>	<u>(6,057)</u>	<u>407,864</u>
Less accumulated depreciation:					
Buildings and improvements	(89,895)	(8,453)	-	410	(97,938)
Furniture and equipment	(34,343)	(4,909)	-	3,198	(36,054)
Library materials	(22,010)	(1,846)	-	1,129	(22,727)
Total accumulated depreciation	<u>(146,248)</u>	<u>(15,208)</u>	<u>-</u>	<u>4,737</u>	<u>(156,719)</u>
Other capital assets, net	<u>226,029</u>	<u>(8,889)</u>	<u>35,325</u>	<u>(1,320)</u>	<u>251,145</u>
Capital assets summary:					
Capital assets not being depreciated	77,999	55,155	(35,325)	-	97,829
Other capital assets at cost	372,277	6,319	35,325	(6,057)	407,864
Total cost of capital assets	<u>450,276</u>	<u>61,474</u>	<u>-</u>	<u>(6,057)</u>	<u>505,693</u>
Less accumulated depreciation	<u>(146,248)</u>	<u>(15,208)</u>	<u>-</u>	<u>4,737</u>	<u>(156,719)</u>
Capital assets, net	<u>\$ 304,028</u>	<u>\$ 46,266</u>	<u>\$ -</u>	<u>\$ (1,320)</u>	<u>\$ 348,974</u>

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2008 is \$54,965,799. These costs will be paid from available reserves and construction proceeds from outstanding debt.

Boise State University

	2007 (Dollars in Thousands)				
	Balance Bal July 1, 2006	Additions	Transfers	Retirements	Balance June 30, 2007
Capital assets not being depreciated:					
Land	\$ 29,716	\$ 12,403	\$ -	\$ (3,504)	\$ 38,615
Construction in progress	14,417	29,559	(4,592)	-	39,384
Total assets not being depreciated	44,133	41,962	(4,592)	(3,504)	77,999
Other capital assets:					
Buildings and improvements	267,924	12,316	4,592	(101)	284,731
Furniture and equipment	53,459	5,008	-	(2,416)	56,051
Library materials	30,943	2,022	-	(1,470)	31,495
Total other capital assets	352,326	19,346	4,592	(3,987)	372,277
Less accumulated depreciation:					
Buildings and improvements	(82,664)	(7,249)	-	18	(89,895)
Furniture and equipment	(31,963)	(4,631)	-	2,251	(34,343)
Library materials	(21,230)	(1,824)	-	1,044	(22,010)
Total accumulated depreciation	(135,857)	(13,704)	-	3,313	(146,248)
Other capital assets, net	216,469	5,642	4,592	(674)	226,029
Capital assets summary:					
Capital assets not being depreciated	44,133	41,962	(4,592)	(3,504)	77,999
Other capital assets at cost	352,326	19,346	4,592	(3,987)	372,277
Total cost of capital assets	396,459	61,308	-	(7,491)	450,276
Less accumulated depreciation	(135,857)	(13,704)	-	3,313	(146,248)
Capital assets, net	\$ 260,602	\$ 47,604	\$ -	\$ (4,178)	\$ 304,028

6. UNEARNED REVENUE

Unearned revenues include amounts received for student fees, prepaid ticket sales, and other amounts received prior to the end of the fiscal year that will be earned in subsequent years. Student fees represent

the portion of summer school revenues related to the number of days of instruction in the subsequent fiscal year and prepaid Fall semester fees. Unearned revenue consists of the following at June 30:

	2008	2007
Student fees	\$ 2,218,574	\$ 1,323,507
Prepaid ticket sales	6,276,294	4,145,906
Other unearned revenue	3,262,732	3,421,459
Unearned revenue	\$ 11,757,600	\$ 8,890,872

Boise State University

7. LONG-TERM LIABILITIES

Following are the changes in bonds and notes payable, capital leases, non-current unearned revenue, due to state agencies (related to

capital projects), net other post employment benefit obligations, and other liabilities for the fiscal years ended June 30, 2008 and 2007:

	2008 (Dollars in Thousands)				
	Beginning Balance July 1, 2007	Additions	Reductions	Ending Balance June 30, 2008	Amounts due within one year
Long-term debt:					
Revenue bonds payable	\$ 202,920	\$ -	\$ (7,550)	\$ 195,370	\$ 4,886
Premium on revenue bonds	3,699	-	(148)	3,551	-
Notes payable	9,139	-	(883)	8,256	914
Capital lease obligations	1,334	-	(373)	961	393
Capital lease obligations - component unit	3,172	-	(255)	2,917	265
Total long-term debt	220,264	-	(9,209)	211,055	6,458
Other liabilities:					
Non-current unearned revenue	1,577	536	(60)	2,053	-
Net other post employment benefits	-	3,556	-	3,556	-
Other	-	445	-	445	-
Total other liabilities	1,577	4,537	(60)	6,054	-
Long-term liabilities	\$ 221,841	\$ 4,537	\$ (9,269)	\$ 217,109	\$ 6,458

	2007 (Dollars in Thousands)				
	Beginning Balance July 1, 2006	Additions	Reductions	Ending Balance June 30, 2007	Amounts due within one year
Long-term debt:					
Revenue bonds payable	\$ 125,230	\$ 125,075	\$ (47,385)	\$ 202,920	\$ 4,466
Premium on revenue bonds	2,321	1,692	(314)	3,699	-
Notes payable	6,673	3,325	(859)	9,139	890
Capital lease obligations	1,573	100	(339)	1,334	375
Capital lease obligations - component unit	3,422	-	(250)	3,172	255
Total long-term debt	139,219	130,192	(49,147)	220,264	5,986
Other liabilities:					
Non-current unearned revenue	-	1,577	-	1,577	-
Total other liabilities	-	1,577	-	1,577	-
Long-term liabilities	\$ 139,219	\$ 131,769	\$ (49,147)	\$ 221,841	\$ 5,986

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8. NOTES AND BONDS PAYABLE

The University is required by bonding resolution to establish a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments of

rebateable arbitrage to the United States. There was no arbitrage liability in fiscal year ending June 30, 2007. The arbitrage liability for fiscal year ending June 30, 2008 is \$445,450. Management believes the University is in compliance with all bond covenants as of June 30, 2008 and 2007.

Pledged Revenue — As stated in the bond descriptions below, the University has pledged certain revenues as collateral for debt instruments. The pledged revenue amounts and coverage requirements are as follows for the year ended June 30, 2008:

	Series			
	2004A, 2005A, 2007A, 2007B, 2007C	1998, 2002, 2003	1996, 1998, 2001	Total
Pledged revenues:				
Student fees	\$ 77,856,863	\$ 5,253,976	\$ 5,318,295	\$ 88,429,134
Rentals	590,452	7,128,293	-	7,718,745
Meal plans	-	2,931,232	-	2,931,232
Other	1,718,244	232,504	-	1,950,748
Sales & service	34,878,613	948,756	-	35,827,369
F&A recovery	3,087,351	-	-	3,087,351
Investment income	2,939,118	438,792	650,914	4,028,824
Total pledged revenue	121,070,641	16,933,553	5,969,209	143,973,403
Less operations and maintenance	(43,633,287)	(12,852,653)	-	(56,485,940)
Pledged revenues, net	\$ 77,437,354	\$ 4,080,900	\$ 5,969,209	\$ 87,487,463
Debt service	\$ 10,784,032	\$ 1,808,799	\$ 2,331,269	\$ 14,924,100
Debt service coverage	718%	226%	256%	586%
Coverage requirement	110%	120%	120%	

Boise State University

Bonds payable, at June 30, 2008 consisted of the following:

Bond Issue	(Dollars in Thousands)							Outstanding Balance 2008	Outstanding Balance 2007
	Original Face Value	Range of Annual Principal Amounts	Range of Semi Annual Interest Percentages	Maturity Date	Pledged Revenues				
General Revenue Bonds, Series 2007A	\$ 96,365	\$145 - \$7,880	4.00% - 5.00%	2037	2		\$ 96,365	96,365	
General Revenue Bonds, Series 2007B	\$ 25,860	\$510 - \$1,760	4.00% - 5.00%	2037	2		25,860	25,860	
General Revenue Bonds, Series 2007C	\$ 2,850	\$125 - \$600	5.21% - 5.21%	2014	2		2,850	2,850	
Student Union and Housing System Refunding and Improvement Bonds, Series 2002	\$ 38,255	\$30 - \$45	5.375%	2012	1		165	675	
General Revenue Bonds, Series 2004A	\$ 31,480	\$795 - \$2,205	3.00% - 5.00%	2033	2		29,035	29,780	
General Revenue Bonds, Series 2005A	\$ 21,925	\$140 - \$2,695	3.25% - 5.00%	2034	2		21,010	21,445	
Student Fee Refunding and Improvement Revenue Bonds, Series 1998	\$ 24,060	\$395 - \$1,285	4.70% - 5.10%	2014	3		5,490	5,865	
Student Union and Housing System Refunding Bonds, Series 1998	\$ 7,860	\$875 - \$1,170	4.70% - 5.125%	2015	1		7,100	7,465	
Student Union and Housing System Refunding Revenue Bonds, Series 2003	\$ 6,620	\$265 - \$1,715	3.25% - 5.00%	2017	1		5,495	5,755	
Student Fee Refunding Revenue Bonds, Series 1996	\$ 14,115	\$1,365 5.	15%	2009	3		1,365	2,665	
Student Fee Refunding Revenue Bonds, Series 1999	\$ 4,480	-	-	2017	3		-	3,365	
Student Building Fee Refunding Revenue Bonds, Series 2001	\$ 4,455	\$205 - \$220	4.375% - 4.50%	2011	3		635	830	
Bonds before premium							195,370	202,920	
Premium on bonds							3,551	3,699	
Total bonds outstanding							\$ 198,921	206,619	

(1) pledged net revenues of Student Union and Housing System and certain student fees

(2) pledge of student fees, enterprise revenues, and funds and accounts held under Resolution

(3) pledge of the net revenues of the Student Building System and certain student fees

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Notes payable, at June 30, 2008 consisted of the following:

Notes Payable	(Dollars in Thousands)					Outstanding Balance 2008	Outstanding Balance 2007
	Original Face Value	Terms	Interest Rate	Maturity Date	Collateralized by		
2006 Bank note payable	\$ 3,381	11 year monthly amortization	4.77%	2016	1	\$ 2,804	\$ 3,060
Line of credit	\$ 5,000	8 year quarterly amortization	49% of lender's prime rate	2011	2	2,127	2,754
Private note	\$ 3,325	Interest Only - Monthly	30 day LIBOR plus 2.35%	2010	1	3,325	3,325
Total notes payable						\$ 8,256	\$ 9,139

(1) Bronco Athletic Association guarantee, subordinate to bonds

(2) Unsecured

Principal and interest maturities on bonds payable are as follows for the year ending June 30, 2008:

	Bonds Payable 2008		
	Principal	Interest	Total
2009	\$ 4,885,000	\$ 8,892,046	\$ 13,777,046
2010	5,130,000	8,678,055	13,808,055
2011	4,615,000	8,475,330	13,090,330
2012	4,985,000	8,277,236	13,262,236
2013	5,270,000	8,033,623	13,303,623
2014-2018	31,200,000	36,050,178	67,250,178
2019-2023	36,955,000	27,998,791	64,953,791
2024-2028	29,595,000	20,779,665	50,374,665
2029-2033	36,745,000	13,632,413	50,377,413
2033-2037	35,990,000	4,297,161	40,287,161
Total	\$ 195,370,000	\$ 340,114,498	\$ 484,498

At June 30, 2008, debt in the amount of \$37,630,000 is considered extinguished through refunding of prior issues by a portion of the current issues. Escrowed funds are held in trust in the amount of \$38,737,694 for

the payment of maturities on refunded bonds. Neither the debt nor the escrowed assets are reflected in the University's financial statements.

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Principal and interest maturities on notes payable are as follows for the year ending June 30, 2008:

	Notes Payable 2008		
	Principal	Interest	Total
2009	\$ 914,412	\$ 335,543	\$ 1,249,955
2010	4,269,291	292,722	4,562,013
2011	975,237	114,378	1,089,615
2012	451,093	86,335	537,428
2013	325,132	70,506	395,638
2014-2017	<u>11,321,268</u>	<u>1, 964</u>	<u>440,232</u>
Total	\$ 8,256,433	\$ 9018,448	\$ 274,881



The Already Vibrant Interactive Learning Center

Boise State University

9. CAPITAL LEASE OBLIGATIONS

The University has entered into various capital lease agreements covering buildings and equipment. Assets under capital lease are included in capital assets, net of depreciation. Amortization of assets under

capital lease is included in depreciation expense. These amounts are included in capital assets. The University leases a building from the Foundation.

Future minimum lease obligations under these agreements at June 30, 2008 are as follows:

	Building	Equipment	Total
2009	\$ 424,901	\$ 438,864	\$ 863,765
2010	423,014	438,864	861,878
2011	429,899	150,597	580,496
2012	425,796	2,303	428,099
2013	430,753	-	430,753
2014-2017	1,709,904	-	1,709,904
Total minimum obligations	3,844,267	1,030,628	4,874,895
Less interest	(927,469)	(69,440)	(996,909)
Present value of minimum obligations	<u>\$ 2,916,798</u>	<u>\$ 961,188</u>	<u>\$ 3,877,986</u>



Work begins on the new Norco Nursing Department and University Health Center Building

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Following are the changes in assets under capital lease for the years ended June 30, 2008 and 2007:

	2008			
	Balance Bal July 1, 2007	Additions	Retirements	Balance June 30, 2008
	(Dollars in Thousands)			
Assets under capital lease				
Buildings and Improvements	\$ 6,733	\$ 240	\$ -	\$ 6,973
Equipment	2,589	-	-	2,589
Total being amortized	9,322	240	-	9,562
Less accumulated amortization:				
Buildings and improvements	(2,778)	(182)	-	(2,960)
Equipment	(1,987)	(151)	-	(2,138)
Total accumulated amortization	(4,765)	(333)	-	(5,098)
Assets under capital lease, net	\$ 4,557	\$ (93)	\$ -	\$ 4,464

	2007			
	Balance Bal July 1, 2006	Additions	Retirements	Balance June 30, 2007
	(Dollars in Thousands)			
Assets under capital lease				
Buildings and Improvements	\$ 6,733	\$ -	\$ -	\$ 6,733
Equipment	2,489	100	-	2,589
Total being amortized	9,222	100	-	9,322
Less accumulated amortization:				
Buildings and improvements	(2,601)	(177)	-	(2,778)
Equipment	(1,850)	(137)	-	(1,987)
Total accumulated amortization	(4,451)	(314)	-	(4,765)
Assets under capital lease, net	\$ 4,771	\$ (214)	\$ -	\$ 4,557

10. RETIREMENT PLANS AND TERMINATION BENEFITS

Public Employee Retirement System of Idaho — The Public Employee Retirement System of Idaho ("PERSI"), a cost-sharing multiple-employer public retirement system, was created by the Idaho State Legislature.

It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are

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provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. The benefits were established and may be amended by the Idaho State Legislature. Obligations to contribute to the plan are established by the PERSI Board as defined by Idaho law. Financial reports for the plan are available

from PERSI's website www.persi.idaho.gov. After 60 months of credited service, members become fully vested in retirement benefits earned to date and receive a lifetime benefit at retirement. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2% of the average monthly salary for the highest consecutive 42 months.

Contributions, for the three years ended June 30, are as follows:

PERSI:	2008	2007	2006
University required contribution rate	10.39%	10.39%	10.39%
Percentage of covered payroll for employees	6.23%	6.23%	6.23%
University contributions required and paid	\$ 3,144,020	\$ 3,036,069	\$ 3,154,078

Optional Retirement Plan — Effective July 1, 1990, the Idaho State Legislature authorized the SBOE to establish an Optional Retirement Plan ("ORP"), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by and may be amended by the State of Idaho.

New faculty and exempt employees hired July 1, 1990 or thereafter automatically

enroll in the ORP and select their vendor option. Faculty and exempt employees hired before July 1, 1990 had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options include Teachers Insurance and Annuity Association - College Retirement Equities Fund and Variable Annuity Life Insurance Company.

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

Contributions, for the three years ended June 30, are as follows:

ORP:	2008	2007	2006
University contribution	\$ 6,559,111	\$ 5,059,669	\$ 4,599,225
Employee contribution	\$ 5,243,778	\$ 4,529,497	\$ 4,153,486
Total contribution	\$ 11,802,889	\$ 9,589,166	\$ 8,752,711
University contribution rate	9.26%	7.72%	7.72%
Employee contribution rate	6.97%	6.97%	6.97%

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As of July 1, 2007, the University contribution rate for the ORP increased to 9.26%. Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute to PERSI. The contribution rate changed as of July 1, 2007 to 1.49%. The contribution rate for fiscal years 2007 and 2006 was 3.03% of the annual covered payroll. These annual supplemental payments are required through July 1, 2025. During the years ended June 30, 2008, 2007 and 2006, this supplemental funding payment to PERSI was \$ 1,127,467, \$1,908,399, and \$1,801,480, respectively. This amount is not included in the regular University PERSI contribution discussed previously.

Termination Benefits — Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of

their unused sick leave, with limits based on years of service, to continue their medical insurance coverage through the University. This benefit is classified as a termination benefit under GASB Statement No. 16, "Accounting for Compensated Absences". The University partially funds these obligations by depositing 0.65% of employee gross payroll with PERSI, who administers the plan as a cost-sharing, multiple-employer plan. The total contributions for the years ended June 30, 2008, 2007 and 2006 were \$669,231, \$608,815 and \$583,791, respectively.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee Retirement System of Idaho, P.O. Box 83720, Boise, ID 83720-0078.

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Plans - The University participates in other postemployment benefit plans (OPEB) relating to health, disability, and life insurance administered by the State of Idaho as agent of multiple-employer defined benefit plans. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. GASB Statement No. 45 has been implemented prospectively, and the net OPEB obligation at transition was zero. The most recent actuarial valuation is as of June 30, 2006. Detail of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained as follows:

Office of the Idaho State Controller
700 W State Street, 4th Floor
Boise, ID 83702
P.O. Box 83720
Boise, ID 83720-0011
www.sco.idaho.gov

Plan Descriptions

Retiree Healthcare Plan - This plan allows retirees to purchase healthcare insurance

coverage for themselves and eligible dependents. A retired employee of the University who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to have the retiree health insurance coverage for themselves and eligible dependents. To be eligible, University employees must enroll within sixty days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have ten or more years (2,080 or more hours) of credited state service.

Long-Term Disability Income - This plan provides long-term disability income benefits for active employees who become disabled, generally up to a maximum age of 70. Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired for the first 30 months of disability, or any job thereafter for which they are reasonably qualified by experience, education, or training. Additionally, to qualify for long-term disability, the waiting period is the later of 26 weeks of continuous total disability or exhaustion of accrued sick

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leave must be met. The gross benefit equals 60 percent of monthly salary or \$3,000 (whichever is smaller). The benefit does not increase with inflation and may be offset by other disability benefits from Social Security, Workers' Compensation, or PERSI.

Life Insurance for Disabled Employees -

This plan provides basic life and dependent life coverage for disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than \$20,000. In addition, a \$2,000 life insurance benefit is provided to spouses, and a \$1,000 life insurance benefit is provided to dependent children. These benefits do not increase with inflation.

Healthcare for Disabled Employees - For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage under the State plan.

Life Insurance for Retirees - This plan provides basic life insurance for certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100 percent of the annual salary at retirement.

Funding Policies

The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis.

Retiree Healthcare Plan - Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The University contributed \$32.83 per active non-retired employee per month towards the retiree premium cost.

Long-Term Disability Income - Self-Insured portion - Employees who became disabled prior to July 1, 2003, are self-insured by the State, which pays 100 percent of the cost of this benefit. The amount of the contributions is actuarially determined based on active claims and the number of insured individuals.

Long Term Disability Income - Insured Benefit portion - Employees who became disabled after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. The University pays 100 percent of the cost of the premiums. The University's contribution for the period was 0.37% of State Plan payroll in fiscal year 2008. This portion of the long-term disability income benefit is not included in the actuarial estimate.

Life Insurance for Disabled Employees - The University pays 100 percent of the premium cost of the benefit. The University's contribution for the period was 0.37% of State Plan payroll in fiscal year 2008.

Healthcare for Disabled Employees - The University pays 100 percent of the University's share of medical/dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The University's contribution for the period was \$5.98 per active State Plan employee per month in fiscal year 2008.

Life Insurance for Retirees - The University pays 100 percent of the cost of basic life insurance. The University's contribution for the period as a percent of payroll was 2.037% for retirees under age 65, 1.568% for retirees between the ages of 65 and 69, and 1.081% for retirees over age 70 in fiscal year 2008.

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Annual OPEB Cost

The annual OPEB cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer in accordance with GASB Statement No. 45.

The following table illustrates the annual OPEB expense, the amount of contributions made, and the increase in the net OPEB obligation, for the plans as of June 30, 2008:

	Retiree Healthcare	Long-term Disability Income	Long-term Disability Life Insurance	Long-term Disability Healthcare	Life Insurance	Total
Annual required contribution						
Amortization of UAAL	\$1,377,461	\$24,834	\$41,389	\$39,068	\$359,011	\$1,841,763
Normal Cost	\$2,089,561	\$0	\$32,102	\$121,241	\$496,463	\$2,739,367
Interest to Fiscal Year-end	\$173,331	\$1,211	\$3,634	\$7,975	\$42,774	\$228,925
Annual OPEB cost (expense)	\$3,640,353	\$26,045	\$77,125	\$168,284	\$898,248	\$4,810,055
Contributions made	(\$856,257)	(\$96,710)	(\$42,500)	(\$94,590)	(\$164,366)	(\$1,254,423)
Increase (Decrease) in Net						
OPEB Obligation	\$2,784,096	(\$70,665)	\$34,625	\$73,694	\$733,882	\$3,555,632
Net OPEB Obligation – Beginning of Year	\$0	\$0	\$0	\$0	\$0	\$0
Net OPEB Obligation (Funding Excess) – End of Year	\$2,784,096	(\$70,665)	\$34,625	\$73,694	\$733,882	\$3,555,632
Percentage of AOC Contributed	23.52%	371.32%	55.11%	56.21%	18.30%	26.08%

Funded Status and Funding Progress :

	Retiree Healthcare	Long-term Disability Income	Long-term Disability Life Insurance	Long-term Disability Healthcare	Life Insurance
Actuarial Valuation Date	7/1/2006	7/1/2006	7/1/2006	7/1/2006	7/1/2006
1 Actuarial Value of Assets	\$0	\$0	\$0	\$0	\$0
2 Accrued Liability (AAL)	\$ 38,593,934	\$ 696,958	\$ 1,160,116	\$ 1,093,489	\$ 10,059,990
3 Unfunded AAL (UAAL) (2) - (1)	\$ 38,593,934	\$ 696,958	\$ 1,160,116	\$ 1,093,489	\$ 10,059,990
4 Funded Ratios (1) : (2)	0.0%	0.0%	0.0%	0.0%	0.0%
5 Annual Covered Payroll	\$ 122,473,640	\$ 122,473,640	\$ 122,473,640	\$ 122,473,640	\$ 122,473,640
UAAL as a Percentage of Covered					
6 Payroll (3) : (5)	31.51%	0.57%	0.95%	0.89%	8.21%

The above schedule of funded status and funding progress also fulfills disclosure requirements for supplementary information, as the State of Idaho has prepared only one actuarial valuation. Future years' disclosures will include two preceding actuarial valuations.

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are

subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the benefits. The projection of benefits for financial reporting purposes

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does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective

and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions for all plans:

	Retiree Healthcare	Long-term Disability Income	Long-term Disability Life Insurance	Long-term Disability Healthcare	Life Insurance
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
	Level	Level	Level	Level	Level
Amortization Method	Percentage of Payroll	Percentage of Payroll	Percentage of Payroll	Percentage of Payroll	Percentage of Payroll
Amortization Period	30 years, Open	30 years, Open	30 years, Open	30 years, Open	30 years, Open
Assumptions:					
Inflation Rate	3.75%	3.75%	3.75%	3.75%	3.75%
Investment Return	5.00%	5.00%	5.00%	5.00%	5.00%
OPEB Increases	N/A	N/A	N/A	N/A	N/A
Projected Salary Increases	4.50%	4.50%	4.50%	4.50%	4.50%
Healthcare Cost Initial Trend Rate	10.00%	N/A	N/A	10.00%	N/A
Healthcare Cost Ultimate Trend Rate	5.00%	N/A	N/A	5.00%	N/A

12. RISK MANAGEMENT

The University participates in the State of Idaho Risk Management Program, which manages property and general liability risk. That program provides liability (cap) protection to \$500,000 per occurrence. Insurance premium payments are made to the State risk management program based on rates determined by a State agency's loss trend experience and asset value covered. Presently, Boise State University's total insured property value is \$838,371,304.

The University obtains workers' compensation coverage from the Idaho State Insurance Fund. The University's workers' compensation premiums are based on its payroll, its own loss experience, as well as that of the State of Idaho as a whole.

The University carries commercial insurance for other risks of loss, including but not limited to employee bond and crime, out of state workers' compensation, business interruption, media liability and automobile physical damage insurance.

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13. COMPONENT UNITS

Boise State University Foundation, Inc —

The net assets of the Foundation represent 77% of the combined component unit as presented in the financial statements and, as such, the Foundation has been

determined by management to be a major component unit as defined by GASB Statement No. 39. Condensed financial statement data is as follows:

BOISE STATE UNIVERSITY FOUNDATION, INC.		
CONDENSED STATEMENTS OF NET ASSETS		
JUNE 30, 2008 AND JUNE 30, 2007		
	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,740,682	\$ 1,276,498
Pledges Receivable	8,934,964	2,018,723
Other Current Assets	427,244	647,391
Total current assets	11,102,890	3,942,612
NON-CURRENT ASSETS:		
Restricted cash and cash equivalents	9,725,906	7,615,620
Investments	90,133,620	85,743,352
Capital assets	228,020	175,705
Investment in lease	2,880,499	3,171,665
Accounts receivable and other	15,000,345	4,046,886
Total non-current assets	117,968,390	100,753,228
TOTAL ASSETS	\$ 129,071,280	\$ 104,695,840
LIABILITIES		
CURRENT LIABILITIES:		
	\$ 656,342	\$ 866,009
NON-CURRENT LIABILITIES:		
Bonds and certificates payable	3,095,000	3,360,000
Amounts held in custody for others	19,829,240	16,900,525
Other	1,626,601	1,447,744
Total non-current liabilities	24,550,841	21,708,269
TOTAL LIABILITIES	25,207,183	22,574,278
NET ASSETS:		
Restricted - non-expendable	44,741,887	42,405,567
Restricted - expendable	51,379,215	32,170,349
Unrestricted	7,742,995	7,545,646
Total net assets	103,864,097	82,121,562
TOTAL LIABILITIES AND NET ASSETS	\$ 129,071,280	\$ 104,695,840

Boise State University

BOISE STATE UNIVERSITY FOUNDATION, INC.			
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS			
FISCAL YEARS ENDED JUNE 30, 2008 AND JUNE 30, 2007			
		<u>2008</u>	<u>2007</u>
OPERATING REVENUES:			
Gifts	\$	28,206,251	\$ 8,404,245
Miscellaneous income		1,078,475	1,386,192
Total operating revenues		<u>29,284,726</u>	<u>9,790,437</u>
OPERATING EXPENSES			
		<u>3,804,101</u>	<u>3,106,915</u>
OPERATING INCOME (LOSS)		<u>25,480,625</u>	<u>6,683,522</u>
NON-OPERATING REVENUES (EXPENSES):			
Payments to Boise State University		(3,946,387)	(12,646,413)
Investment income		2,719,293	2,982,219
Change in fair value of investments		(2,646,810)	7,373,898
Gain on sale of property		442,589	771,620
Other		(306,775)	(95,670)
Net non-operating revenues		<u>(3,738,090)</u>	<u>(1,614,346)</u>
INCREASE IN NET ASSETS		<u>21,742,535</u>	<u>5,069,176</u>
NET ASSETS—Beginning of year		<u>82,121,562</u>	<u>77,052,386</u>
NET ASSETS—End of year	\$	<u><u>103,864,097</u></u>	\$ <u><u>82,121,562</u></u>

(a) Cash, Cash Equivalents, and Other Deposits and Investment

The Foundation, through its Board of Directors (the "Board"), appoints an investment committee that determines investment guidelines, sets the spending rules, and engages the investment manager(s) and custodian(s). The Board oversees and approves all investment and asset allocation policies proposed by the Investment Committee. Furthermore, the Board and the Investment Committee acknowledge and understand their fiduciary roles and will always seek to act prudently in the best interests of the Foundation.

The Investment Committee is also to monitor and review the actions of the investment manager(s) and custodian(s),

make recommendations on investment policy, and oversee the management of all other assets of the Foundation. The Investment Committee reports regularly to the Board of Directors.

The overall investment policy is to maximize the return on investments within an acceptable range of risks. Appropriate levels of investment risk will be determined by guidelines and influenced by spending rules. The principal of the Endowment should be protected over time with a spending rule set to maintain the purchasing power of returns from the assets. The component units invest in investments that are allowed by State of Idaho law.

Basis of Custodial Credit Risk as of June 30	<u>2008</u>	<u>2007</u>
Uninsured and uncollateralized	\$ <u>2,620,384</u>	\$ <u>2,031,006</u>

Boise State University

Credit Risk — The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

The ratings, as of June 30, 2008, are presented below using the Moody's scale:

Rating	US Treasury Bonds	Corporate Bonds	Bond Mutual Funds	Fair Value
Aaa	\$ 1,751,712	\$ 3,433,646	\$ 8,335,748	\$ 13,521,106
Aa1	-	202,923	-	202,923
Aa2	-	1,587,468	8,255,882	9,843,350
Aa3	-	20,857	-	20,857
A1	-	971,570	-	971,570
A2	-	-	5,564	5,564
Ba3	-	-	2,489	2,489
B1	-	-	9,297	9,297
Unrated	-	50,553	-	50,553
Total	\$ 1,751,712	\$ 6,267,017	\$ 16,608,980	\$ 24,627,709

Interest Rate Risk — Investments in debt securities that are fixed for a longer period of time are likely to experience greater variability in their fair values due to future

changes in interest rates. Maturities by investment type, as of June 30, 2008, are as follows:

Investment Type	Fair Value	< 1 yr	1-3 yr	3-10 yr	>10 yr
Rated Securities:					
US Treasury Bonds	\$ 1,751,712	\$ -	\$ 416,066	\$ 849,181	\$ 486,465
Corporate Bonds	6,267,017	2,502,987	83,846	3,680,184	-
Bond Mutual Funds	16,608,980	-	-	16,571,010	37,970
Total Rated Securities	\$ 24,627,709	\$ 2,502,987	\$ 499,912	\$ 21,100,375	\$ 524,435

Concentration of Credit Risk — When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration of risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure

when five percent of the total government investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Foundation has not invested more than five percent of their investments in any one issuer.

(b) Amounts Held in Custody for Others

The Bronco Athletic Association, Inc. (the "Association") transferred assets to the Foundation for investment and management, which are included in amounts held in custody for others. Included in amounts held

in custody for others on behalf of the Association are \$17,860,893 and \$15,435,119 at June 30, 2008 and 2007, respectively.

Boise State University

(c) Donated Services

The University provided staffing and other general office support to the Foundation totaling \$1,094,563 and \$1,003,524 in fiscal years ending June 30, 2008 and 2007, respectively. Additionally, volunteers make substantial contributions of time to support

the Foundation for which no value is assigned. The value of volunteer services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation.

Other Component Unit— Contributions, recorded as gifts, received by the University from the Association totaled \$3,866,888 and \$8,839,685 as of June 30, 2008 and 2007, respectively. Net assets of the Association at June 30, were as follows:

Bronco Athletic Association		
	2008	2007
Net assets:		
Restricted by donors - non-expendable	\$ 10,277,760	\$ 9,502,621
Restricted by donors - expendable	18,804,593	6,285,370
Invested in Capital Assets	1,490,044	1,536,783
Unrestricted	116,199	68,476
Total net assets	\$ 30,688,596	\$ 17,393,250



Stadium Sky Boxes and More – An Outstanding Addition to the University's Athletic Facilities

Boise State University

14. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATIONS (DOLLARS IN THOUSANDS):

Functional Categories	2008				
	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 77,955	\$ 9,871	\$ 833	\$ -	\$ 88,659
Research	9,922	4,121	318	-	14,361
Public service	7,320	5,375	189	-	12,884
Libraries	3,695	1,445	-	-	5,140
Student services	6,903	1,539	47	-	8,489
Plant operations	5,993	8,935	-	-	14,928
Institutional support	13,600	5,867	57	-	19,524
Academic support	12,084	3,283	53	-	15,420
Auxiliary enterprises	23,919	29,064	3,080	-	56,063
Scholarships	1,209	146	5,700	-	7,055
Depreciation	-	-	-	15,208	15,208
Total operating expenses	\$ 162,600	\$ 69,646	\$ 10,277	\$ 15,208	\$ 257,731

Functional Categories	2007				
	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 70,702	\$ 9,996	\$ 767	\$ -	\$ 81,465
Research	9,062	3,760	225	-	13,047
Public service	6,250	4,962	106	-	11,318
Libraries	3,484	1,267	-	-	4,751
Student services	5,791	1,497	81	-	7,369
Plant operations	5,017	9,636	2	-	14,655
Institutional support	10,155	2,617	6	-	12,778
Academic support	10,606	3,549	86	-	14,241
Auxiliary enterprises	20,969	25,838	3,415	-	50,222
Scholarships	1,087	62	5,876	-	7,025
Depreciation	-	-	-	13,704	13,704
Total operating expenses	\$ 143,123	\$ 63,184	\$ 10,564	\$ 13,704	\$ 230,575

15. CONTINGENCIES AND LEGAL MATTERS

The University is in discussions with the College of Western Idaho that may lead to the University gifting capital assets to the newly-founded community college at some point in the next fiscal year. These assets, including land, infrastructure, buildings, and other capital equipment may have a net book value of as much as \$11.3 million. The 2008 Idaho State Legislature approved a capital appropriation for the University of \$10 million in state funds towards the upcoming CESED (Center for Environmental Science and Economic Development) building.

Revenue from federal research and service grants includes amounts for the recovery of

overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the Federal Government. University officials are of the opinion that the effect of these refunds, if any, will not have a significant effect on financial position of the University.

The University is a defendant in litigation arising from the normal course of operations. Based on present knowledge, the University's management believes any ultimate liability in these matters will not materially affect the financial position of the University.

16. SUBSEQUENT EVENTS

Subsequent to June 30, 2008, Idaho's Governor issued Executive Order 2008-03, which ordered a 1-percent reduction in state general fund spending in response to lower state revenue forecasts. Idaho's Governor also directed all state agencies to reserve an additional 1.5 percent of their general fund appropriations for the fiscal year ending June 30, 2009. The University's 2009

general fund appropriation totals \$87,587,000. The 1% spending reduction will reduce available resources by \$875,870. Should the additional 1.5 percent become a permanent reduction in spending, the University's available resources for the 2009 fiscal year would be reduced by another \$1,313,805, for a total reduction of \$2,189,675.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

Idaho State Board of Education
Boise State University
Boise, Idaho

We have audited the financial statements of Boise State University (University) and its discretely presented component units as of and for the year ended June 30, 2008, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented component units as described in our report on the University's financial statements. This report does not include the results of other auditors' testing of internal control over financial report or compliance and other matters that are reported on separately by other auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in normal course of performing the assigned functions, to prevent or detect misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph on this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Idaho State Board of Education, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Eugene, Oregon
November 4, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Idaho State Board of Education
Boise State University
Boise, Idaho

COMPLIANCE

We have audited the compliance of Boise State University (University) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008, except as described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We did not audit the University's compliance with the requirements governing Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us and our opinion expressed, herein, insofar as it relates to the University's compliance with those requirements, is based solely on the report of other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, based on our audit and the report of the other auditor, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

INTERNAL CONTROL OVER COMPLIANCE

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

We did not consider internal control over compliance with the Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Internal control over this compliance requirement was considered by the other auditor referred to above; and our report, insofar as it relates to the University's internal control over this compliance requirement, is based solely upon the report of the other auditors.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the University's internal control that might be significant deficiencies or material weaknesses. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Also, the report of the other auditors noted no matters involving the internal control structure over compliance and its operations that they consider to be material weaknesses.

This report is intended solely for the information and use of the Idaho State Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Eugene, Oregon
November 4, 2008

**BOISE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies(s) identified that are not considered to be material weaknesses? _____ yes X no

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies (s) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Student Financial Assistance Cluster:	
84.007	Federal Supplemental Educational Opportunity Grants
84.032	Federal Family Education Loans
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program
84.063	Federal Pell Grant Program
84.375	Academic Competitiveness Grant
84.376	SMART Grant Science & Math

Dollar threshold used to distinguish between type A and type B programs: \$ 1,168,222

Auditee qualified as low-risk auditee? X yes _____ no

BOISE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

**BOISE STATE UNIVERSITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2007**

FINDING 2007-01—Allowable Costs: Personnel Level of Effort Reporting

Condition: The University did not have adequate procedures in place to ensure that compensation reports for personnel services for salaries and wages charged to research and development grants were certified. Moss Adams testing revealed 7 out of 14 Payroll Certification Reports for the period January 1, 2007 through June 30, 2007 had not been certified by the employee or supervisor for accuracy.

Recommendation: Moss Adams recommends BSU complete the Payroll Certification Reports for the period mentioned above. Moss Adams also recommends BSU review the current reporting procedures to ensure complete and timely compliance with Circular A-21.

Status: Fully resolved.



BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	onresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
Direct Programs				
TAME	10.001	\$ 27,957	\$ -	\$ 27,957
USDA Utilizing GPR	10.206	20,729	-	20,729
USDA Burrowing Owls	10.206	49,629	-	49,629
ESPRI	10.664	35,941	-	35,941
Raptor and Songbird Migration	10.664	247	-	247
USDA Forest Service Flammulated Owl	10.664	375	-	375
USDA Welders	10.769	-	30,748	30,748
Lomatium Dormancy	10.XXX	2,375	-	2,375
Dormancy in Lomatium Dissection	10.XXX	5,496	-	5,496
Danskin Floatboat Archeological Test	10.XXX	647	-	647
Grape Leaf Hormone Analyses	10.XXX	5,705	-	5,705
USDA-FS Joint Agreement	10.XXX	-	7,200	7,200
Pass Through Payments:				
Animal Telemetry Phase II	10.212	4,554	-	4,554
Child and Adult Care Food Program (Children's Center)	10.558		51,888	51,888
Total U.S. Department of Agriculture		<u>\$ 153,655</u>	<u>\$ 89,836</u>	<u>\$ 243,491</u>
U.S. DEPARTMENT OF COMMERCE:				
Direct Programs:				
EDA General FY '07	11.303	\$ -	\$ 24,887	\$ 24,887
EDA University Center FY '08	11.303	-	129,494	129,494
NIST General FY '07	11.611	-	15,821	15,821
NIST General FY '08	11.611	-	429,673	429,673
Total U.S. Department of Commerce		<u>\$ -</u>	<u>\$ 599,875</u>	<u>\$ 599,875</u>

(continued)

See notes to schedule

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Nonres Expenditures	Research Expenditures	Total Expenditures
U.S. DEPARTMENT OF DEFENSE:				
Direct Programs:				
Effects of Comp. Question Type	12.630	\$ 127,408	\$ -	\$ 127,408
DEPSCoR Micro-Propulsion	12.800	185,253	-	185,253
DARPA FY '04	12.910		23,994	23,994
DARPA FY '05	12.910	1,410,112	-	1,410,112
ARI Project FY '07	12.XXX	8,296	-	8,296
DNA Safeguard Project	12.XXX	230,175	-	230,175
DNA Safeguard Project	12.XXX	64,764	-	64,764
DNA Safeguard Project	12.XXX	74,981	-	74,981
DNA Safeguard Project	12.XXX	14,781	-	14,781
ARI Project FY '08	12.XXX	10,842	-	10,842
Pass Through Payments:				
DoD General FY '04	12.002	-	42,381	\$ 42,381
Integrated Passive Electronic Components	12.800	33,215	-	33,215
Wave Oscillator Design	12.XXX	12,620	-	12,620
Genetic & Chemical Modification of Phosphotriesterase	12.XXX	34,635	-	34,635
NMR Characterization of Chemical Composition	12.XXX	40,722	-	40,722
Coastal Engineering & Human Disturbance	12.XXX	25,293	-	25,293
Ultra-Low Power Radiation	12.XXX	28,735	-	28,735
DEPSCoR FY '08	12.360	119,198	-	119,198
Total U.S. Department of Defense		\$ 2,421,030	\$ 66,375	\$ 2,487,405
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:				
Direct Programs:				
HUD/CESED	14.246	\$ -	\$ 376,096	\$ 376,096
HUD/Environmental Science Building FY '04	14.246	-	620,893	620,893
Pass Through Payments:				
Fulfillment Center	14.250	-	20,915	20,915
Total U.S. Department of Housing & Urban Dev		\$ -	\$ 1,017,904	\$ 1,017,904
U.S. DEPARTMENT OF THE INTERIOR:				
Direct Programs:				
Bromus Tectorum Establishment	15.000	\$ 4,016	\$ -	\$ 4,016
Breeding Bird Burrowing Owl	15.XXX	3,968	-	3,968
Post-Fire Reseeding	15.224	8	-	8
Southern Idaho Ground Squirrels	15.232	22,425	-	22,425
Firewise Brochure	15.233	-	6,950	6,950
Landbird Migrant Monitoring Project Camas NWR	15.635	7,513	-	7,513
Seismic Reflection Imaging	15.807	85,076	-	85,076
Seismic Imaging Seattle Fault	15.807	4,377	-	4,377

(continued)

See notes to schedule

Annual Financial Statements

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Fiscal Year 2008

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Nonr Expenditures	Research Expenditures	Total Expenditures
U.S. DEPARTMENT OF INTERIOR (continued):				
Direct Programs (continued)				
SRFS Facilities Operating Acct	15.808	\$ -	\$ 71,277	\$ 71,277
Raptor Information System	15.808	4,419	-	4,419
Owl Surveys	15.808	2,969	-	2,969
Barred Owl Food Habits	15.808	23,236	-	23,236
Statistical Support	15.808	4,918	-	4,918
CSMAT Survey in Joshua Tree CA	15.808	7,825	-	7,825
Formatting NARMS Raptor Accts	15.808	1,579	-	1,579
Monitoring Land Treatments	15.808	5,814	-	5,814
Native Landscape Gardens	15.XXX	154	-	154
Palouse Goldenweed Genetics	15.XXX	167	-	167
Translocation SIGS	15.XXX	1,270	-	1,270
Sawtooth Fire Disturbance	15.XXX	8,363	-	8,363
Cow Hollow Survey	15.XXX	13,045	-	13,045
Cow Creek Archeological Evaluation	15.XXX	46	-	46
Stabilization & Rebuilding	15.XXX	1,734	-	1,734
SFRWO Songbird Migration	15.XXX	7,920	-	7,920
FWS Development Cascade Bald Eagle	15.XXX	4,031	-	4,031
Pass Through Payments:				
Chicago Botanic Garden	15.224	1,117	-	1,117
IDFG Flammulated Owls	15.611	330	-	330
Heavy Metal Contamination of Bald Eagles	15.634	3,962	-	3,962
IWRR1 2	15.805	9,717	-	9,717
Blackfoot Basin IWRR1	15.805	3,800	-	3,800
Stopover Ecology of Landbird	15.XXX	5,997	-	5,997
Phase III : Detection of Oil	15.XXX	45,043	-	45,043
GPR Workshop	15.XXX	10,956	-	10,956
Total U.S. Department of the Interior		\$ 295,795	\$ 78,227	\$ 374,022
U.S. DEPARTMENT OF JUSTICE:				
Pass Through Payments:				
Gun Violence in Canyon County ID	16.609	\$ 6,276	\$ -	\$ 6,276
RADAR Video Library 2	16.727	-	7,195	7,195
RADAR Video Library 3	16.727	-	20,234	20,234
RADAR Video Library 4	16.727	-	10,247	10,247
RADAR Video Library 5	16.727	-	2,024	2,024
End Violence Against Women with Disabilities	16.XXX	-	10,210	10,210
Nampa Family Justice	16.XXX	23,345	-	23,345
Total U.S. Department of Justice		\$ 29,621	\$ 49,910	\$ 79,531

(continued)

See notes to schedule

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	onresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF LABOR:				
Direct Programs:				
OSHA	17.504	\$ -	\$ 183,606	\$ 183,606
OSHA Consultation Program	17.504	-	326,606	326,606
Pass Through Payments:				
DOL Lean Mfg for Food	17.261	-	144,186	144,186
Total U.S. Department of Labor		<u>\$ -</u>	<u>\$ 654,398</u>	<u>\$ 654,398</u>
U.S. DEPARTMENT OF STATE:				
Pass Through Payments:				
Paving Way to Global Village	19.XXX	\$ -	\$ 8,054	\$ 8,054
Total U.S. Department of State		<u>\$ -</u>	<u>\$ 8,054</u>	<u>\$ 8,054</u>
U.S. DEPARTMENT OF TRANSPORTATION:				
Direct Programs:				
FAA Noise and Emissions Study	20.109	\$ 16,943	\$ -	\$ 16,943
FAA Airliner Cabin Environment	20.109	7,458	-	7,458
FAA Airliner Cabin Environment 2	20.109	120,650	-	120,650
FAA Noise & Emissions - Gardner	20.109	(2,945)	-	(2,945)
Avionics Decontamination	20.109	13,688	-	13,688
Infliight Sensor System Development & Deployment	20.109	4,155	-	4,155
Transit Center-DCE	20.500	-	3,278	3,278
BSU Bus Shelters	20.500	-	150,103	150,103
Pass Through Payments:				
Curriculum Development & Implementation	20.600	-	191	191.00
Barn Owl Mitigation	20.XXX	5,867	-	5,867.00
GIS Support Training	20.XXX	(273)	-	(273.00)
Total U.S. Department of Transportation		<u>\$ 165,543</u>	<u>\$ 153,572</u>	<u>\$ 319,115</u>
U.S. OFFICE OF PERSONNEL MANAGEMENT:				
Direct Programs:				
IPA Agreement - Eric McIndoo	27.011	\$ 36,225	\$ -	\$ 36,225
IPA Agreement - Cliff Bayer	27.011	30,802	-	30,802
IPA Agreement - Dr. Zhi Li	27.011	2,925	-	2,925
Total U.S. Office of Personnel Management		<u>\$ 69,952</u>	<u>\$ -</u>	<u>\$ 69,952</u>

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research No Expenditures	nresearch Expenditures	Total Expenditures
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:				
Pass Through Payments:				
ISGC Fellowship - Oblea Campbell	43.000	\$ 15,137	\$ -	\$ 15,137
NASA Fellowship - Steele	43.001	16,628	-	16,628
Chemical & Bio Sensors II	43.XXX	(1,026)	-	(1,026)
Ground Penetrating Radar	43.XXX	14,349	-	14,349
Role of Collagen Structure -Yr 2	43.XXX	(26)	-	(26)
NASA ISGC - Frary	43.XXX	5,105	-	5,105
NASA ISGC K-12 2006-2007	43.XXX	-	8,389	8,389
NASA EPSCoR Reliability Investigation	43.XXX	105,396	-	105,396
ISGC Fellowship - Bonfrisco 2007-2008	43.XXX	18,696	-	18,696
Total National Aeronautics and Space Admin		\$ 174,259	\$ 8,389	\$ 182,648
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:				
Pass Through Payments:				
Idaho Issues Online	45.129	\$ -	\$ 453	\$ 453
R.R.C. Martin Marty Lecture	45.129	-	(215)	(215)
Hanan Ashrawi Lecture	45.129	-	3,500	3,500
ID Central Digital Publication	45.310	9,855	-	9,855
Subject Cataloging Workshop	45.XXX	-	1,272	1,272
Total National Foundation on the Arts and the Humanities		\$ 9,855	\$ 5,010	\$ 14,865
NATIONAL SCIENCE FOUNDATION:				
Direct Programs:				
DLR Planning Grant	47.041	\$ -	\$ (9,260)	\$ (9,260)
Classical & Quantum Topology	47.049	5,888	-	5,888
Combinatorial Set Theory	47.049	6,281	-	6,281
Boise Extravaganza Set Theory	47.049	7,603	-	7,603
CAREER : RUI : Ferromagnetic	47.049	97,704	-	97,704
MRI : Acquisition of a TEM	47.049	679,432	-	679,432
Quantum and Biophysics	47.049	43,236	-	43,236
CAREER : M Frary NSF	47.049	79,620	-	79,620
CRIF : MU/RUI Equipment	47.409	487,500	-	487,500
NSF MRI : Acquisition of XPS	47.409	284,106	-	284,106
NSF Lattice Dynamics	47.049	34,111	-	34,111
NSF Web Tools for Time Scale	47.050	87,134	-	87,134
Monogenetic Volcano Processes	47.050	9,735	-	9,735
Paleozoic Deformation Research	47.050	44,896	-	44,896
Ionization Mass Spectrometer	47.050	1	-	1
NSF Collaborative Research	47.050	56,726	-	56,726
NSF Collaborative Quantification	47.050	28,548	-	28,548

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	nonresearch Expenditures	Total Expenditures
NATIONAL SCIENCE FOUNDATION (continued):				
Direct Programs (continued)				
NSF Climate Controls on Alluvial Fans	47.050	\$ 13,929	\$ -	\$ 13,929
NSF Timing, Condition, Rates of Thrust	47.050	28,958	-	28,958
Freedom from Coordinate System	47.050	4,952	-	4,952
Unroofing Central Menderes Metamorphic Complex	47.050	13,987	-	13,987
Carboniferous Permian Paleoclimate	47.050	34,045	-	34,045
NSF Career Degradation	47.070	46,327	-	46,327
NSF Cybertrust : eVoting	47.070	34,653	-	34,653
NSF Research Instrumentation	47.074	303,730	-	303,730
Chronic Stress in Ecosystems	47.074	20,609	-	20,609
RUI : Broken-symmetry States	47.076	(677)	-	(677)
NSF Scholarships	47.076	-	88,778	88,778
Award - Excellence in Mentoring	47.076	4,577	-	4,577
Noyce Grant	47.076	-	79,677	79,677
NSF Idaho Engineering Scholarship Program	47.076	-	126,144	126,144
Acquisition of GC/MS & FT-IR	47.076	9,946	-	9,946
New GK-12 Local Resources	47.076	-	9,309	9,309
NSF - Water Storage & Routing	47.078	100,479	-	100,479
Home Hearth Household	47.078	113,963	-	113,963
Egypt Collaboration	47.079	4,662	-	4,662
Pass Through Payments:				
Chronos Network for Earth Systems	47.050	(487)	-	(487)
NSF-ID-TIMS	47.050	131,085	-	131,085
Chronos System : Geoinformatics	47.050	4,902	-	4,902
SedDB Supplement PaleoStrat	47.050	66,426	-	66,426
IRIS Intern Summer '07	47.050	5,548	-	5,548
Site Survey for IODP 626	47.050	15,900	-	15,900
Hydrologic Processes EPSCoR	47.076	217,297	-	217,297
NSF Idaho EPSCoR - Punnoose	47.076	75,793	-	75,793
NSF Idaho EPSCoR - McNamara	47.076	145,366	-	145,366
NSF Idaho EPSCoR - Mead	47.076	38,606	-	38,606
NSF EPSCoR - Campbell FY '07	47.XXX	32,000	-	32,000
NSF EPSCoR - Kuang FY '07	47.XXX	25,000	-	25,000
NSF EPSCoR Instrument - Tenne	47.XXX	(413)	-	(413)
NSF EPSCoR Startup - Tenne	47.XXX	6,279	-	6,279
NSF EPSCoR Zen3600 Zetasizer	47.XXX	9,995	-	9,995
NSF EPSCoR Startup Funds	47.XXX	24,756	-	24,756
EPSCoR Startup Funds - Sridhar	47.XXX	14,505	-	14,505
EPSCoR Instrumentation	47.XXX	16,051	-	16,051
Multi-Functional Oil Quality	47.XXX	57,189	-	57,189
EPSCoR - Senocak	47.XXX	10,500	-	10,500
EPSCoR Additional Funding	47.XXX	3,587	-	3,587
Total National Science Foundation		\$ 3,586,546	\$ 294,648	\$ 3,881,194

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Nonr Expenditures	Research Expenditures	Total Expenditures
SMALL BUSINESS ADMINISTRATION:				
Direct Programs:				
SBA CY '07	59.037	\$ -	\$ 319,512	\$ 319,512
SBA CY '08	59.037	-	225,701	225,701
Total Small Business Administration		\$ -	\$ 545,213	\$ 545,213
ENVIRONMENTAL PROTECTION AGENCY:				
Direct Programs:				
Satellite EFC	66.111	\$ -	\$ 50,109	\$ 50,109
US EPA Region 7 FY '07	66.461	-	4,353	4,353
EPA Dashboard Grant	66.463	-	54,164	54,164
FY '06 Wastewater Training	66.467	-	(638)	(638)
FY '07 Wastewater Training	66.467	-	8,194	8,194
FY '08 Wastewater Training	66.467	-	16,467	16,467
Hydrogeophysical Characterization	66.606	372,468	-	372,468
EPA Multi-Purpose Sensors	66.606	168,977	-	168,977
EPA Multi-Purpose Sensors	66.606	197,075	-	197,075
EPA Multi-Purpose Sensors	66.606	32,839	-	32,839
EPA Multi-Purpose Sensors	66.606	93,871	-	93,871
EPA Multi-Purpose Sensors	66.606	30,826	-	30,826
EPA Multi-Purpose Sensors	66.606	3,333	-	3,333
EPA Multi-Purpose Sensors	66.606	18,485	-	18,485
6167 EPA Supplemental Funding	66.606	66,594	-	66,594
6167 EPA Supplemental Funding	66.606	18,992	-	18,992
6167 EPA Supplemental Funding	66.606	6,808	-	6,808
EFC10 Base Grant FY '07	66.607	-	245,712	245,712
Prioritization Tool Development	66.XXX	-	8,666	8,666
Pass Through Payments:				
DEQ Internship	66.419	-	57,898	57,898
Alaska Financial Capacity FY '07	66.XXX	-	2,827	2,827
Total Environmental Protection Agency		\$ 1,010,268	\$ 447,752	\$ 1,458,020
U.S. DEPARTMENT OF ENERGY:				
Direct Programs				
Bioreductive Transformations	81.049	\$ 8,993	\$ -	\$ 8,993
Inverse Magnetoplastic Effect	81.049	169,804	-	169,804
DOE Wind Energy	81.087	125,849	-	125,849
DOE Grant	81.121	143,131	-	143,131
Wind For Schools	81.XXX	-	3,717	3,717

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Nonresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF ENERGY (continued):				
Pass Through Payments:				
DEPSCOR Wide-Band-Gap	81.049	\$ 13,236	\$ -	\$ 13,236
INRA Water Research Consortium	81.049	31,908	-	31,908
Time-lapse Georadar Monitoring	81.049	38,659	-	38,659
INRA SFPO Site Facilities	81.104	-	2,447	2,447
SSGP Website Maintenance Service	81.104	-	893	893
INRA SSGP Fellowship Support 3	81.104	-	23,027	23,027
INRA SSGP Fellowship Support 4	81.104	-	157,082	157,082
INRA SSRI Course Development 2006-2007	81.104	-	1,494	1,494
INRA SSRI Dean Yr.5 2006-2007	81.104	-	782	782
SSGP Course Evaluation 2006-2007	81.104	-	56	56
Transuranic Aqueous Metal Ion	81.113	4,000	-	4,000
UNLV Heat Exchange Material	81.121	20,820	-	20,820
Big Sky Carbon Sequestration	81.XXX	(578)	-	(578)
INL Crucible Development	81.XXX	28,841	-	28,841
Energy Policy Seminar	81.XXX	-	(13,322)	(13,322)
INL Influence Grain Boundary	81.XXX	50,803	-	50,803
Cesium Signature Protection	81.XXX	170	-	170
Multi-Species Rhodopseudomonad	81.XXX	(880)	-	(880)
EPI Interim Associate Director FY '07	81.XXX	99,758	-	99,758
FY '06 IUC/EPI Proposal	81.XXX	96,503	-	96,503
CAES Consortium	81.XXX	348,695	-	348,695
Drought, Fire & Snowmelt Central Idaho	81.XXX	31,083	-	31,083
Energy Policy Seminar FY '07	81.XXX	-	7,764	7,764
ACE Workshop	81.XXX	59,563	-	59,563
Bioprocess Agricultural Waste Water	81.XXX	33,219	-	33,219
Carbon Sequestration in Mafic Rocks	81.XXX	21,975	-	21,975
Suitability of Layered Basalt	81.XXX	24,062	-	24,062
Seismic Reflection Testing	81.XXX	98,867	-	98,867
INL Plasma Sintering	81.XXX	287,158	-	287,158
Literature Search, Study, Survey	81.XXX	5,149	-	5,149
Societal Nuclear Research LDRD	81.XXX	66,159	-	66,159
Novel Nanostructured Materials	81.XXX	89,965	-	89,965
Novel Nanostructured Materials	81.XXX	22,028	-	22,028
INRA SSRI Course Development 2007-2008	81.XXX	-	10,345	10,345
INRA Geophysics Workshop 2007-2008	81.XXX	-	15,320	15,320
SSGP Course Evaluation 2007-2008	81.XXX	-	3,179	3,179
INRA SSRI Dean Year 6 2007-2008	81.XXX	-	3,148	3,148
Design & Synthesis of Novel Chelators	81.XXX	24,415	-	24,415
Detector for Peractinon Ion	81.XXX	2,426	-	2,426
INRA Chronic Stress Ecosystems	81.XXX	1,845	-	1,845
Algorithm Development	81.XXX	31,703	-	31,703
Total U.S. Department of Energy		\$ 1,979,329	\$ 215,932	\$ 2,195,261

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number		Research N Expenditures	onresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION:					
Direct Programs:					
Federal Pell Grants	84.063	(1) \$	-	\$ 14,272,478	\$ 14,272,478
Federal Supplemental Educational Opportunity Grants	84.007	(1)	-	502,538	502,538
Direct Subsidized Loans	84.268	(1)	-	28,427,929	28,427,929
Direct Unsubsidized Loans	84.268	(1)	-	23,079,750	23,079,750
Direct Parent Loans	84.268	(1)	-	1,397,564	1,397,564
Federal Perkins Loans	84.038	(1)	-	2,067,443	2,067,443
Federal College Work-Study (CWS)	84.033	(1)	-	564,829	564,829
Federal CWS Job Location Development (JLD)	84.033	(1)	-	42,734	42,734
Federal ACG	84.375	(1)	-	369,308	369,308
Federal SMART	84.376	(1)	-	367,023	367,023
Basque Studies Minority	84.016		-	5,025	5,025
Student Success Program	84.042		-	52,558	52,558
Student Success Program 2007-2008	84.042		-	278,954	278,954
ETS I 2006-2007	84.044		-	68,143	68,143
ETS II 2006-2007	84.044		-	33,203	33,203
ETS I - Year 1	84.044		-	389,621	389,621
ETS II - Year 1	84.044		-	186,919	186,919
Upward Bound 2006-2007	84.047		-	153,571	153,571
Upward Bound Nampa & Caldwell 2007-2008	84.047		-	233,070	233,070
Upward Bound Duck Valley 2007-2008	84.047		-	121,756	121,756
Upward Bound III Boise 2007-2008	84.047		-	128,461	128,461
Upward Bound IV Meridian 2007-2008	84.047		-	106,509	106,509
HEP	84.141		-	36,546	36,546
HEP - Year 4	84.141		-	497,283	497,283
CAMP 5/00	84.149A		-	546	546
CAMP	84.149A		-	65,066	65,066
CAMP - Year 4	84.149A		-	379,103	379,103
Prevention of Drinking Freshman	84.184		-	84,942	84,942
Graduate Bilingual - Year 1	84.195		-	123,361	123,361
McNair Program Year 4	84.217		-	89,256	89,256
McNair Scholars Program 2007-2008	84.217		-	143,769	143,769
Improving Metacomprehension	84.305		223,524	-	223,524
Pass Through Payments:					
ABE Federal	84.002A		-	337	337
ABE EI Civics	84.002A		-	(107)	(107)
ABE Federal	84.002		-	6,834	6,834
ABE Staff Development	84.002		-	(299)	(299)
ABE Incarcerated	84.002		-	4,291	4,291
ABE EI Civics	84.002		-	(1,440)	(1,440)
ABE Federal	84.002		-	375,206	375,206

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research No Expenditures	nresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (continued):				
Pass Through Payments (continued)				
ABE Staff Development	84.002	\$ -	\$ 20,733	\$ 20,733
ABE EI Civics FY '08	84.002	-	39,996	39,996
ABE Incarcerated FY '08	84.002	-	9,398	9,398
ABE Federal FY '09	84.002	-	10	10
SW Regional Special Ed FY '07	84.027	-	80,958	80,958
SW Regional Special Ed FY '08	84.027	-	598,878	598,878
ABE Main	84.048A	-	2,055	2,055
ABE Staff Development	84.048A	-	13	13
Instructional Equipment	84.048A	-	39,291	39,291
Student Organizations	84.048A	-	85	85
Carl Perkins Professional Development	84.048A	-	293	293
JSL Training/Blast Off FY '07	84.048A	-	3,856	3,856
Student Organizations FY' 08	84.048A	-	39,258	39,258
CND Non-Traditional FY' 08	84.048A	-	4,635	4,635
Perkins PACE - FY '08	84.048A	-	58,553	58,553
Perkins - Tutorial	84.048A	-	75,994	75,994
Perkins - Administration	84.048A	-	8,828	8,828
Perkins - Partnerships	84.048A	-	39,975	39,975
Perkins - Program Improvement	84.048A	-	27,954	27,954
End of Course Assessments	84.048A	-	1,108	1,108
Perkins - Professional Development	84.048A	-	17,572	17,572
Teaching American History	84.215	-	29,055	29,055
Teaching American History - Magic Valley	84.215	-	234,799	234,799
Teaching American History	84.215	-	101,114	101,114
Horticulture	84.243A	-	2,547	2,547
Tech Prep Revenue	84.243A	-	(669)	(669)
Tech Prep Region III FY '07	84.243A	-	1,222	1,222
Tech Prep Revenue FY '07	84.243A	-	1,863	1,863
ALP Region III FY '08	84.243A	-	83,826	83,826
ALP FY '08	84.243A	-	101,136	101,136
ALP Contribution	84.243A	-	13,511	13,511
ABE Going Home	84.331A	-	7,475	7,475
Transition to Teaching	84.350	-	3,333	3,333
Improving Elementary Math	84.366	-	41,113	41,113

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research N Expenditures	onresearch Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass Through Payments (continued)				
Develop Teachers Math Thinking	84.366	\$ -	\$ 243,146	\$ 243,146
Fostering Literacy Across Disciplines	84.367	86,922	-	86,922
National Writing Project	84.928	-	6,743	6,743
National Writing Project	84.928	-	(482)	(482)
National Writing Project	84.928	-	21,322	21,322
Special Ed Certification : Alternate Route	84.350B	-	17,586	17,586
Radar Network Center Support	84.186	-	14,821	14,821
NSD Tutoring Services 2007-2008	84.01	-	9,222	9,222
Response to Intervention Technical Assistance	84.324U	-	3,615	3,615
Caldwell Academy of Leadership 2	84.01	-	57,000	57,000
Idaho Capacity Builders - Mountain Home	84.01	-	58,216	58,216
Idaho Capacity Builders - Caldwell	84.01	-	73,596	73,596
Reading First 2007-2008	84.357	-	464,457	464,457
School Improvement Technical Assistance	84.377	-	157,849	157,849
Principals Academy Leadership	84.367	-	74,722	74,722
ICSN Charter Start! Workshops	84.282	-	9,213	9,213
Total U.S. Department of Education		\$ 310,446	\$ 77,554,874	\$ 77,865,320
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Direct Programs:				
Center for the Study of Aging	93.048	\$ (3,315)	\$ -	\$ (3,315)
Center for the Study of Aging	93.048	8,187	-	8,187
Career Development	93.121	15,398	-	15,398
Type XI Collagen Isoforms	93.273	56,254	-	56,254
GAIN Project	93.359	-	70,089	70,089
R15 Area Award - Oncostatin	93.395	58,785	-	58,785
Evaluation of DNA Cross Linking	93.395	53,419	-	53,419
NIH Labrum	93.846	39,431	-	39,431
Altered cAMP Regulation of CD40L in Asthma	93.855	49,346	-	49,346
Pass Through Payments:				
ICOA 2008 Needs Assessment B	93.044	4,228	-	4,228
Evaluation BOEOS	93.104	-	47,623	47,623
Insurance Financing	93.213	32,733	-	32,733
Tobacco/Prevention/Control FY '04	93.238	-	335	335
ID Pandemic Preparedness Plan	93.283	1,435	-	1,435
H & W Tobacco Prevention	93.283	-	16,408	16,408
Arthritis Grant Writing Assistance	93.283	-	2,913	2,913
NIH Subcontract from WSU	93.286	(1,730)	-	(1,730)
Health Disparities Intervention	93.307	73,744	-	73,744
INBRE Yr 2 - Knowlton	93.389	27	-	27
INBRE Yr 3 - Oxford	93.389	13,871	-	13,871

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BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal	Research Nonresearch		Total
	CFDA Number	Expenditures	Expenditures	Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued):				
Pass Through Payments (continued)				
INBRE Yr 3 - Jorcyk	93.389	\$ (2,294)	\$ -	\$ (2,294)
INBRE Yr 3 - Rohn	93.389	394	-	394
INBRE Yr 3 - Charlier	93.389	1,402	-	1,402
INBRE Yr 3 - Knowlton	93.389	691	-	691
INBRE Yr 4 - Oxford	93.389	264,065	-	264,065
INBRE Yr 4 - Jorcyk	93.389	72,832	-	72,832
INBRE Yr 4 - Rohn	93.389	76,360	-	76,360
INBRE Yr 4 - Charlier	93.389	75,795	-	75,795
INBRE Yr 4 - Knowlton	93.389	48,530	-	48,530
INBRE Yr 4 - Oxford 2	93.389	76,142	-	76,142
INBRE Summer Scholars Program	93.389	18,721	-	18,721
INBRE Yr 5 - Oxford	93.389	21,627	-	21,627
INBRE Yr 5 - Jorcyk	93.389	18,623	-	18,623
INBRE Yr 5 - Rohn	93.389	14,457	-	14,457
INBRE Yr 5 - Charlier	93.389	20,837	-	20,837
INBRE Yr 5 - Oxford 2	93.389	27,223	-	27,223
INBRE Yr 5 - Knowlton	93.389	9,761	-	9,761
Job Education Training	93.558	-	52,929	52,929
Child Welfare Stipend Programs	93.658	-	215,197	215,197
Foster Parent Training Program	93.658	-	23,292	23,292
Academy Training Contract	93.658	-	46,982	46,982
Child Welfare Center Contract	93.658	-	46,098	46,098
Foster Parent Training Contract	93.658	-	119,382	119,382
Academy Training Contract II	93.658	-	202,621	202,621
CW Center Contract II	93.658	-	248,489	248,489
Bypassing Fluidics Proteomic	93.859	(530)	-	(530)
Bypassing Fluidics Proteomic	93.859	1,272	-	1,272
ID Nursing Workforce Center 2	93.888	16,088	-	16,088
HFAY Rural Outreach	93.912	34,614	-	34,614
Nursing Recruit & Retention	93.912	77	-	77
Idaho RADAR Network Center	93.959	-	1,871	1,871
Idaho RADAR Network Center FY '08	93.959	-	145,331	145,331
ISU GRA Position for YSP	93.XXX	(1,109)	-	(1,109)
Rural Workforce Assessment	93.XXX	2,045	-	2,045
Premium Assistance Program	93.XXX	(823)	-	(823)
Rural Family Physician Workforce - II	93.XXX	2,867	-	2,867
Total U.S. Department of Health and Human Svcs		\$ 1,201,480	\$ 1,239,560	\$ 2,441,040

(continued)

See notes to schedule

Annual Financial Statements

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Fiscal Year 2008

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grant/Program Number	Federal CFDA Number	Research No Expenditures	nresearch Expenditures	Total Expenditures
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
Pass Through Payments				
L & S Promising Practice	94.005	\$ -	\$ 29,250	\$ 29,250
Students In Service	94.007	-	663	663
Total Corporation for National and Community Service		<u>\$ -</u>	<u>\$ 29,913</u>	<u>\$ 29,913</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Direct Programs				
Buffer Zone Protection Program	97.067	\$ -	\$ 41,063	\$ 41,063
Pass Through Payments				
NFA Training FY '07	97.043	-	289	289
NFA Training FY '08	97.043	-	11,641	11,641
Total U.S. Department of Homeland Security		<u>\$ -</u>	<u>\$ 52,993</u>	<u>\$ 52,993</u>
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT:				
Direct Programs:				
Reconstruct Fire/Dist Sawtooth	98.XXX	\$ 5,954	\$ -	\$ 5,954
Pass Through Payments:				
Sustain. Mgmt. of Watersheds	98.XXX	4,550	-	4,550
Total United States Agency for Intl Dev		<u>\$ 10,504</u>	<u>\$ -</u>	<u>\$ 10,504</u>
Total Federal Expenditures		<u>\$ 11,418,283</u>	<u>\$ 83,112,435</u>	<u>\$ 94,530,718</u>

(1) Student Financial Aid Cluster combined and tested as a major program.

See notes to schedule

Annual Financial Statements

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Fiscal Year 2008

BOISE STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. UNIVERSITY ADMINISTERED LOAN PROGRAMS

The University administers the following loan programs:

Loan	Program	Numb	er	Loan	Balances
Fede	ral Perkins	84.038		\$	10,833,733
	Nursing Student			\$	5,756

Total loan expenditures and disbursements of the Department of Education (Perkins) student financial assistance programs for the year ended June 30, 2008 are identified below:

Loan	Program	Numb	er	Loan	Disbursements
Fede	ral Perkins	84.038		\$	2,067,443

The expenditures reported in the Schedule of Expenditures of Federal Awards include the administrative cost allowances, Federal Capital Contribution and Institutional Capital Contribution for the year ended June 30, 2008.

BOISE STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 20083. **SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, the University provided federal awards to subrecipients as follows:

Program N	Federal CFDA umber	Amount Provided to Subrecipients
EDA General FY '07	11.303	\$ 16,203
EDA General FY '07	11.303	89,197
NIST General FY '08	11.611	146,530
Depsco Micro-Propulsion	12.800	12,976
DARPA FY '05	12.910	467,611
DNA Safeguard Project	12.XXX	204
NSF Timing, Cond, Rates of Thr	47.050	4,393
SBA CY '07	59.037	209,930
SBA CY '08	59.037	118,078
EPA Dashboard Grant	66.463	29,485
EPA Multi-Purpose Sensors	66.606	52,145
DOE WIND ENERGY	81.087	8,711
DOE Grant	81.121	52,103
Improving Metacomprehension	84.305	61,924
GAIN Project	93.359	2,603
Eval of DNA Cross Linking	93.395	20,961
DOL Lean Mfg for Food	17.261	46,249
SW Regional Special Ed FY '07	84.027	4,540
SW Regional Special Ed FY '08	84.027	15,124
Fostering Literacy Across Districts	84.367	31,085
Caldwell Academy of Leadership 2	84.XXX	41,000
Idaho Capacity Builders-Caldwell	84.XXX	4,548
INBRE Yr 4 - Jorcyk	93.389	21
INBRE Yr 4 - Rohn	93.389	10,000
Total Subrecipients		<u>\$ 1,445,621</u>

APPENDIX B

SCHEDULE OF STUDENT FEES

The following table sets forth the Student Fees of the University at the rates in effect for the current fiscal year. The amounts shown as Estimated Annual Revenue reflect the University's estimates based on actual collections for the summer term and fall semester of 2008 and estimates of collections for the spring semester of 2009. The University's estimates include certain assumptions concerning refunds, late fees and other variables with respect to individual fees, such that the annual estimated revenues of each fee are not the numerical product of the fee rates times a constant number for students paying such fees, but nonetheless represent the University's best estimate of fee revenues.

Students taking eight or more credit hours pay University fees as full-time students, and the revenues from such students are included in the "Full Time Fees" column. However, the number of students treated as full-time for this calculation is greater than the number of full time students shown in the body of the Official Statement under "THE UNIVERSITY—Selected Statistical Information Concerning the Student Body" because the University's registrar categorizes as "full-time" those students taking 12 or more credit hours. The number of students used to calculate Estimated Annual Revenue is also less than the total number of full-time-equivalent students as a result of the University's policy to provide fee waivers or discounts to certain scholarship recipients and to certain employees and spouses of certain employees. The State Board of Education has amended this policy, effective fall semester 2009, to redefine full-time undergraduate students as 12 credits.

**SCHEDULE OF STUDENT FEES
FOR THE FISCAL YEAR ENDING JUNE 30, 2009***

	FULL TIME FEES		PART TIME FEES		ESTIMATED ANNUAL REVENUE	TOTAL ESTIMATED ANNUAL REVENUE
	RATE PER SEMESTER	ESTIMATED ANNUAL REVENUE	RATE PER CREDIT HOUR	RATE PER CREDIT HOUR		
	Fall and Spring		Summer	Fall and Spring		
TUITION	<u>\$1,445.30</u>	<u>\$38,540,413</u>	<u>\$153.45</u>	<u>\$156.57</u>	<u>\$10,653,950</u>	<u>\$49,194,363</u>
FACILITY FEES						
Student Building Fee (1)	99.00	2,639,937	9.00	9.00	617,349	3,257,286
Capital Expenditure Reserve Fee	5.00	133,330	0.00	0.00	0	133,330
SUB Construction Fee (1)	27.00	719,983	2.70	2.70	185,205	905,188
Residence Hall Construction Fee	57.00	1,519,964	5.70	5.70	390,988	1,910,952
Recreation Facility Fee (1)	65.00	1,733,292	6.50	6.50	445,863	2,179,155
Facilities Fee	210.00	5,599,866	16.00	20.50	1,282,331	6,882,197
Health and Wellness Ctr. Facility Fee	<u>40.00</u>	<u>1,066,641</u>	<u>4.00</u>	<u>4.00</u>	<u>274,378</u>	<u>1,341,019</u>
Subtotal Facility Fees	<u>503.00</u>	<u>13,413,013</u>	<u>43.90</u>	<u>48.40</u>	<u>3,196,114</u>	<u>16,609,127</u>
TECHNOLOGY FEES						
Student Support System Tech Fee	23.00	613,319	2.40	2.40	164,627	777,946
Technology Fee-Computer Labs	<u>27.25</u>	<u>726,649</u>	<u>3.00</u>	<u>3.00</u>	<u>205,783</u>	<u>932,432</u>
Subtotal Technology Fees	<u>50.25</u>	<u>1,339,968</u>	<u>5.40</u>	<u>5.40</u>	<u>370,410</u>	<u>1,710,378</u>
ACTIVITY FEES						
Intercollegiate Athletics	98.00	2,613,271	0.00	6.65	273,125	2,886,396
Student Health Center	39.50	1,053,308	3.60	4.10	267,475	1,320,783
Student Union Operations	87.50	2,333,278	8.25	9.25	606,975	2,940,253
Associated Student Body	12.80	341,325	1.60	1.28	96,608	437,933
University News	2.50	66,665	0.50	0.25	24,029	90,694
Student Program Board	7.00	186,662	0.50	0.50	34,297	220,959
BSU Radio	2.00	53,332	0.00	0.00	0	53,332
Campus Recreation	30.25	806,647	3.90	3.05	232,607	1,039,254
Drama, Music and Theatre Arts	1.50	39,999	0.00	0.00	0	39,999
Alumni Activities	3.50	93,331	0.00	0.35	14,375	107,706
Scholarships	8.00	213,328	0.00	0.00	0	213,328
Child Center	7.00	186,662	0.35	0.70	38,383	225,045
Volunteer Services Board	1.90	50,665	0.10	0.10	6,859	57,524
Distinguished Lecture Series	2.00	53,332	0.20	0.20	13,719	67,051
Marching Band	6.50	173,329	0.00	0.65	26,696	200,025
Student Radio	2.00	53,332	0.20	0.20	13,719	67,051
Spirit Squad	2.00	53,332	0.00	0.00	0	53,332
Cultural Center	<u>3.50</u>	<u>93,331</u>	<u>0.05</u>	<u>0.35</u>	<u>15,751</u>	<u>109,082</u>
Subtotal Activity Fees	<u>317.45</u>	<u>8,465,129</u>	<u>19.25</u>	<u>27.63</u>	<u>1,664,618</u>	<u>10,129,747</u>
TOTAL GENERAL FEES—RESIDENT	<u>\$2,316.00</u>	<u>\$61,758,523</u>	<u>\$222.00</u>	<u>\$238.00</u>	<u>\$15,885,092</u>	<u>\$77,643,615</u>
OTHER FEES/TUITION						
Graduate/Professional	436.00	421,725		47.00	353,213	774,938
Student Health Insurance (2)	697.00	0				
Non-resident Tuition	4,288.00	12,643,572		75.00	203,779	12,847,351
Non-resident Tuition Waivers						
Western Undergraduate Exchange Fee	1,158.00	496,782				496,782
In-service				78.00	210,356	210,356
Course Overload Credit Hour Fee	238.00	197,716				197,716
Self Support Programs	Various	<u>2,762,232</u>			<u>515,265</u>	<u>3,277,497</u>
Subtotal General Education Fees	<u>6,817.00</u>	<u>16,522,027</u>			<u>1,282,613</u>	<u>17,804,640</u>
TOTAL FEES		<u>\$78,280,550</u>			<u>\$17,167,705</u>	<u>\$95,448,255</u>

* Includes actual fees and revenues for the summer 2008 term and the fall 2008 semester, and estimated fees and revenues for the spring 2009 semester.

- (1) Pledged on a subordinate basis until retirement of the Student Fee Bonds, which mature on April 1, 2009.
- (2) Student Health Insurance revenues are not included as Pledged Revenues because such revenues are transferred to the insurance carrier and are not a revenue source for the University.

APPENDIX C

GLOSSARY OF TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT

The following is a summary of certain terms used in the Resolution and the Official Statement. Reference is made to the Resolution for full details of all the terms upon which Series 2009A Bonds are issued and the Pledged Revenues are applied.

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

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

“Activity Fees” shall include such fees designated and set from time to time by the Board or the University, imposed upon each full-time and part-time on-campus student in attendance at the University. Currently such fees include: intercollegiate athletics, student health center, student union and housing operations, associated student body, university news, student program board, BSU radio, campus recreation, drama, music and theater arts, alumni activities, scholarships, outdoor program, child care center operations, service learning program, volunteer services board, student identification system, distinguished lecture series, and marching band. Although described as an Activity Fee in certain University documents, revenues from student fees collected for student health insurance which are paid to a third-party vendor are not included in the definition of Activity Fees for purposes of generating Pledged Revenues under the Resolution.

“Additional Bonds” means any bonds which the University may issue pursuant to the Resolution, secured by all or a portion of the Pledged Revenues, as may be amended from time to time.

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

“Auxiliary Enterprises” means all facilities of the University generating Sales and Services Revenues, including the System.

“Beneficial Owner(s)” means the owners of any Bonds whose ownership is recorded under the Book-Entry System maintained by the Securities Depository.

“Board” means the Board of Trustees of the University.

“Bond Fund” means the fund by that name created under the Resolution, consisting of (1) a Debt Service Account and (2) a Debt Service Reserve Account.

“Bonds” means all Bonds issued pursuant to the Resolution.

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

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

“Capital Expenditure Reserve Fee” means the fee assessed against full-time and part-time students at the University, as said fee now exists and may hereafter be revised by the Board.

“Cede & Co.” means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

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

“Construction Fund” means the fund by that name created under the Resolution, from which the Costs of Issuance and the Costs of Acquisition and Construction of a Project shall be paid.

“Consultant’s Report” means a report signed by an independent financial consultant or other independent consultant, selected by the University and approved by the Trustee (which approval shall not unreasonably be withheld), as may be appropriate to the subject of the report, and including:

- i. a statement that the person or firm making or giving such report has read the pertinent provisions of the Resolution to which such report relates;
- ii. a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and
- iii. a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent financial consultant or other independent consultant to express an informed opinion with respect to the subject matter referred to in the report.

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

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

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

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

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

“Debt Service Account” means the account of that name created within the Bond Fund under the Resolution.

“Debt Service Reserve Account” means the account of that name created within the Bond Fund under the Resolution.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Participants” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Estimated Pledged Revenues” means, for any year, the estimated Pledged Revenues for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Pledged Revenues, Pledged Revenues may be adjusted as necessary to reflect any changes to the (i) schedule of fees for use of the System, (ii) the Student Union and Housing Fee, or (iii) other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of Bonds in connection with which an estimate is made. In estimating Operation and Maintenance Expenses, recognition shall be given to any other revenues which may be designated by the Board, and to any anticipated change in the Operation and Maintenance Expenses. Amounts reasonably anticipated to be paid from sources other than Pledged Revenues may be excluded from the estimated Operation and Maintenance Expenses.

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

“Event of Default” means one or more of the events described under the caption, “Events of Default” in APPENDIX D.

“F&A Recovery Revenues” means the revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University.

“Facility Fees” shall consist of the Student Building Fee, the Student Union and Housing Fee, the Capital Expenditure Reserve Fee and Recreation Facility Fee.

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

“General Account Appropriated Funds” means general account appropriated funds of the State of Idaho which in accordance with governmental accounting standards and the University’s audited financial statements are treated as non-operating revenues and accordingly such revenues are not included in the definition of Other Operating Revenues for purposes of generating Pledged Revenues under the Resolution, and in any event are excluded from Pledged Revenues.

“General Education Fees” shall consist of the part-time credit hour fee, graduate/professional fee, tuition, the western undergraduate exchange fee, the in-service fee, the overload fee, and such other fees as the University shall hereafter establish.

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

“Investment Income” shall include investment earnings on all University funds and accounts.

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

“Mandatory Redemption Amount” means the mandatory deposits established under the related Supplemental Resolution.

“Matriculation Fee” means the general education fee charged for maintenance and operation of physical plant, student services, and institutional support for full-time students enrolled in academic credit courses and professional-technical education pre-employment, preparatory programs, as said fee now exists and may hereafter be revised by the Board.

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

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

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

Operation and Maintenance Expenses include, but are not limited to, costs for ordinary repairs, renewals and replacements of the Auxiliary Enterprises, for salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services, fees and charges of financial, banking or other institutions for letters of credit, standby credit facilities, reimbursement agreements and remarketing, indexing and tender agent agreements to secure any Series of Bonds, training of personnel, taxes and other governmental charges imposed by other than the University, fuel costs, and any other current expenses or

obligations required to be paid by the University under the provisions of the Resolution or by law, all to the extent properly allocable to the Auxiliary Enterprises.

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

“Other Operating Revenues” means revenues received by the University generated from miscellaneous sources, *i.e.*, certain non-auxiliary advertising, vending in non-auxiliary facilities, postage and printing.

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

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

“Pledged Revenues” means (i) Student Fees, (ii) Sales and Services Revenues, (iii) the F&A Recovery Revenues, (iv) Other Operating Revenues, (v) Investment Income, and (vi) such other revenues as the Board shall designate as Pledged Revenues. Notwithstanding the definitions set forth above and, in particular, notwithstanding clause (vi) of paragraphs A, B, C and D above, in no event shall Pledged Revenues include (i) General Account Appropriated Funds or (ii) Restricted Fund Revenues.

“President” means the president of the Board.

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

“Private Person” means any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

“Private Person Use” means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

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

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

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

“Record Date” means the 15th day of the calendar month next preceding any interest payment date.

“Recreation Facility Fee” means the Recreation Facility Fee designated and set from time to time by the Board, imposed upon each full-time and part-time on-campus student in attendance at the University.

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

“Resolution” or *“Original Resolution”* means the Resolution adopted by the Board on September 17, 1992, providing for the issuance of General Revenue Bonds, as from time to time amended and supplemented by Supplemental Resolutions.

“Restricted Fund Revenues” means all revenues that the University is obligated to spend in accordance with restrictions imposed by external third parties, such as revenues from grants, contracts, gifts and scholarships.

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

“Revenues Available for Debt Service” means:

A. Revenues in clauses (i), (iii), (iv), (v), and (vi) of the subsection of the definition of Pledged Revenues then in effect (*i.e.*, subsection A, B, C or D); and

B. Revenues in clause (ii) of the subsection of the definition of Pledged Revenues then in effect, less Operation and Maintenance Expenses of the Auxiliary Enterprises.

“Sales and Services Revenues” means all revenues generated through operations of the Auxiliary Enterprises, including revenues of the System. These revenues include revenues generated through housing and student union operations; bookstore sales; event sales from the Pavilion, Bronco Stadium, Morrison Center and Select-a-seat; parking charges; recreation center activity charges; and other miscellaneous operations. Sales and Services Revenues also include revenues generated incidentally to the conduct of instruction, research and public service activities, such as unrestricted revenues generated by the University’s public radio station, testing services provided by University labs, and sales of scientific and literary publications.

“Secretary” means the secretary of the Board.

“Securities Depository” means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to the Resolution.

“Service and Activity Fees” shall consist of the Facility Fees, the Activity Fees, and the Technology Fees, and such other fees as the University shall hereafter establish and impose upon each full-time and part-time student in attendance at the University.

“Student Building Fee” or *“General Building Fee”* means the Student Building Fee designated and set from time to time by the Board, imposed upon each full-time and part-time on-campus student in attendance at the University.

“Student Fees” shall consist of the Matriculation Fee, the Service and Activity Fees, and the General Education Fees.

“Student Union and Housing Fee” means the fee established by the Board, the revenues of which are Pledged Revenues for the Bonds, as said fee now exists and may hereafter be revised by the Board.

“Student Union and Housing System” or *“System”* means the University’s system of (i) dormitory, apartment and family student housing facilities, and facilities related thereto; (ii) the University’s Student Union Building; and (iii) all other housing, dining, student union and related auxiliary facilities which may hereafter be added to the Student Union and Housing System.

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

“Technology Fees” shall include the technology fee charged for campus technology enhancements and operations and the student support system fee, as assessed against full-time and part-time students at the University, and as said fees now exist and may hereafter be revised by the Board or the University.

“Trustee” means U.S. Bank National Association, Salt Lake City, Utah, which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2009A Bonds, or its successors in functions, as now or hereafter designated.

“University” means Boise State University, a body politic and corporate established pursuant to Section 33-4001, Idaho Code.

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

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

APPENDIX D

SUMMARY OF PROVISIONS OF THE RESOLUTION

The following is a summary of certain provisions contained in the Resolution and is not to be considered as a full statement thereof. Reference is made to the Resolution for full details of all the terms upon which Series 2009A Bonds are issued and the application of the Pledged Revenues. The Resolution, including all Supplemental Resolutions, are on file at the office of the University, 1910 University Drive, Room 210, Boise, Idaho 83725. See also “THE SERIES 2009A BONDS” and “SECURITY FOR THE SERIES 2009A BONDS” in the body of the Official Statement.

ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

Establishment of Funds. The following funds are established under the Resolution:

- i. Revenue Fund, to be held by the University;
- ii. Construction Fund, to be held by the University;
- iii. Bond Fund, consisting of a (a) Debt Service Account and (b) a Debt Service Reserve Account (which is not required under the Resolution to be funded), to be held by the Trustee; and
- iv. Rebate Fund, to be held by the University.

The Trustee and the University may establish one or more subaccounts within such funds from time to time as shall be necessary.

Revenue Fund; Debt Service Account; Flow of Funds. The University shall deposit all Pledged Revenues into the Revenue Fund. Moneys in the Revenue Fund shall be transferred to the Trustee for deposit in the Debt Service Account in the Bond Fund not later than five days before any Payment Date, an amount equal to Debt Service coming due on such Payment Date. The Trustee shall pay out of the Debt Service Account to the Registered Owners of the Bonds entitled to such payment, on or before each Payment Date, the amount of Debt Service payable on such date.

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

Construction Fund. Bond proceeds to be used for construction costs and Costs of Issuance relating to a Project shall be deposited in the applicable Project Account in the

Construction Fund. Income received from the investment of moneys in any Project Account in the Construction Fund shall be credited to such Project Account. Upon completion of any Project, the relevant Project Account shall be closed, and all remaining amounts in the Project Account shall be transferred to the Debt Service Account in the Bond Fund.

Before any payment is made from any Project Account in the Construction Fund, the University shall execute a Written Certificate showing, with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and in a reasonable amount against the Project Account in the Construction Fund and has not been theretofore included in a prior Written Certificate, and that, insofar as any such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.

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

ADDITIONAL BONDS

Prior to the issuance of Additional Bonds, the University shall file with the Trustee the following documents:

- i. A copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds.
- ii. A Written Certificate of the University to the effect that, upon delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution with respect to any Bonds Outstanding.
- iii. For so long as any of the Pre-2003 Bonds are Outstanding, a Consultant's Report, and at any time that all of the Pre-2003 Bonds shall cease to be Outstanding, a Written Certificate signed by an Authorized Officer of the University, in either case setting forth the then estimated completion date and the then estimated cost of construction of the Project being financed by the Additional Bonds.
- (iv) A Written Certificate of the University showing that Estimated Revenues Available for Debt Service (assuming completion of the proposed Project on its then estimated completion date) will equal at least 110% of the Maximum Annual Debt Service on all Bonds then Outstanding and the Additional Bonds proposed to be issued for (1) each of the Fiscal Years of the University during which any of the Bonds or Additional Bonds will be Outstanding following the estimated completion date of the

Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized, or (2) the University's current Fiscal Year and any succeeding Fiscal Year during which any of the Bonds or Additional Bonds will be Outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized (the "*Additional Bonds Certificate*").

Refunding Bonds. The University may issue Additional Bonds for the purpose of refunding any Outstanding Bonds issued under the Resolution, *provided* that the Debt Service in each year on the refunding bonds does not exceed by more than \$25,000 the Debt Service on the Bonds being refunded. The University may also issue Additional Bonds for the purpose of refunding any other obligations of the University, *provided* that the University shall file with the Trustee the following documents:

(i) A copy of the Supplemental Resolution that shall authorize the issuance of the Additional Bonds and that shall provide that any revenues securing such obligations to be refunded shall become part of the Pledged Revenues securing the Bonds issued under the Resolution;

(ii) A Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution; and

(iii) The Additional Bonds Certificate described above.

COVENANTS OF THE UNIVERSITY

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

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

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

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

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

The University shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default under the Resolution, a Written Certificate of the University specifying such Event of Default; and (ii) no later than 120 days following the end of each Fiscal Year, a Written Certificate of the University stating that, to the best of the knowledge and belief of the authorized officer of the University executing such Written Certificate, except for any Event of Default then existing which shall have been specified in the Written Certificate of the University referred to in (i) above, the University has kept, observed, performed, and fulfilled each and every one of its covenants and obligations contained in the Resolution, and there does not exist at the date of such Written Certificate any Event of Default by the University under the Resolution or other event which, with the lapse of time specified in the Resolution, would become an Event of Default, or, if any such Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

Compliance with the Resolution. The University will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of the Resolution, and will not suffer or permit any default to the Resolution, but will faithfully observe and perform all the covenants, conditions, and requirements thereof. The University will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or facilitate the performance of the Resolution, and for better assuring and confirming unto the Registered Owners of the Bonds of the rights, benefits, and security provided in the Resolution.

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

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

Tax Covenants. The University covenants for the benefit of the Owners of any tax-exempt Bonds ("*Tax-Exempt Bonds*") that it will not take any action or omit to take any

action with respect to Tax-Exempt Bonds, the proceeds thereof, any other funds of the University, or any Project if such action or omission (i) would cause the interest on the Tax-Exempt Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103(a) of the Code, (ii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from State taxable income under present State law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Tax-Exempt Bonds until the date on which all obligations of the University in fulfilling the above covenant under the Code have been met. The University agrees to comply with all of its covenants set forth in any tax certificate with respect to any Series of Tax-Exempt Bonds.

MODIFICATION OR AMENDMENT OF RESOLUTION

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution and pursuant to the affirmative vote at a meeting of Registered Owners, or with the written consent without a meeting, (i) of the Registered Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Registered Owners of at least 60% in principal amount of the Bonds of each Series so affected and then Outstanding, and (iii) in case the modification or amendment changes the terms of any Mandatory Redemption Amounts, of the Registered Owners of at least 60% in principal amount of the Bonds of the particular Series and maturity entitled to such Mandatory Redemption Amounts and then Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Registered Owners of Bonds of such Series shall not be required and Bonds of such Series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall (x) extend the fixed maturity of any Bond, or reduce the principal amount or redemption price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Registered Owner of each Bond so affected, or (y) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding, or (z) without its written consent thereto, modify any of the rights or obligations of the Trustee.

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

- i. to add to the covenants and agreements of the University in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the University;

ii. to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution, or in regard to questions arising under the Resolution, as the University may deem necessary or desirable, and which shall not adversely affect the interests of the Trustee or the Registered Owners of the Bonds;

iii. to provide for the issuance of a Series of Bonds, and to provide the terms and conditions under which such Series of Bonds may be issued, subject to the requirements described above under “ADDITIONAL BONDS”; and

iv. to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated public obligations pursuant to the applicable provisions of state law.

EVENTS OF DEFAULT AND REMEDIES OF REGISTERED OWNERS

Events of Default. The following are Events of Default under the Resolution:

i. failure to make the due and punctual payment of any Principal Installment of a Bond when and as the same shall become due and payable, whether at maturity, by call for redemption, or declaration or otherwise;

ii. failure to make the due and punctual payment of any installment of interest on any Bond or any Mandatory Redemption Amount, when and as such interest installment or any Mandatory Redemption Amount shall become due and payable;

iii. failure by the University to perform or observe any other of the covenants, agreements, or conditions on its part in the Resolution or in the Bonds contained, and such default shall continue for a period of 30 days after written notice thereof to the University by the Trustee specifying such failure and requiring the same to be remedied, which 30-day period may not be extended by more than 30 additional days without the prior consent of certain insurers of the Bonds;

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

v. dissolution or liquidation of the University or the filing by the University of a voluntary petition in bankruptcy, or the commission by the University of any act of bankruptcy, or adjudication of the University as a bankrupt, or assignment by the University for the benefit of its creditors, or the entry by the University into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the University in any proceeding for its reorganization instituted

under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

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

vii. any event of default specified in a Supplemental Resolution;

In the case of an Event of Default, unless the Outstanding amount of the Bonds shall have already become due and payable, the Trustee (by 30 days' written notice to the University), or the Registered Owners of not less than 25% of the Bonds then Outstanding (by notice in writing to the University and the Trustee), with the consent of certain bond insurers, may declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding.

RIGHTS AND REMEDIES OF REGISTERED OWNERS

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

(1) such Registered Owner has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Registered Owners of not less than 25% in principal amount of the Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee;

(3) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(4) the Trustee, for 60 days after its receipt of such notice, request, and offer of indemnity, has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Registered Owners of a majority in principal amount of the Bonds; it being understood and intended that no one or more Registered Owner of Bond shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Resolution to affect, disturb, or prejudice the rights of any other Registered Owner of Bonds, or to obtain or to seek to obtain priority or preference over any other Registered Owner, or to enforce any right under the Resolution, except in the

manner provided and for the equal and ratable benefit of all the Registered Owners of Bonds.

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

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

DEFEASANCE

DISCHARGE OF INDEBTEDNESS

If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of all Bonds, the principal of or redemption price, if applicable, and interest due or to become due thereon, if applicable, at the times and in the manner stipulated therein and in the Resolution, or such Bonds shall have been deemed to have been paid as provided in the Supplemental Resolution authorizing a Series of Bonds, then the pledge of any Pledged Revenues, and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the University to the Registered Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the University to be prepared and filed with the University and, upon the request of the University, shall execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the University all moneys or securities held by it pursuant to the Resolution which are not required for the payment of principal or redemption price, if applicable, on Bonds.

Bonds or interest installments the payment or redemption for which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail to the Registered Owners of such Bonds, notice of redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee either moneys in

an amount which shall be sufficient, or government securities, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest on said Bonds taxable under the Code, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Registered Owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, or redemption price, as applicable and interest due and to become due if applicable on the Bonds.

APPENDIX E

PROPOSED FORM OF
CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by Boise State University (the “*Issuer*”) in connection with the issuance of \$_____ General Revenue and Refunding Bonds, Series 2009A (the “*Bonds*”). The Bonds are being issued pursuant to a Resolution Providing for the issuance General Revenue Bonds, adopted September 17, 1992, as supplemented and amended, including by a Supplemental Resolution adopted _____, 2009 (the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means the financial information and operating data described in *Exhibit I*.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns. Initially, U.S. Bank National Association is appointed as the Dissemination Agent pursuant to the Dissemination Agency Agreement dated the date hereof, between the Issuer and U.S. Bank National Association.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Material Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

Material Events Disclosure means dissemination of a notice of a Material Event as set forth in Section 5.

MSRB means the Municipal Securities Rulemaking Board.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

SID means the public or private repository designated by the State as the state information depository and recognized as such by the Commission for purposes of the Rule.

State means the State of Idaho.

Undertaking means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are as follows:

APRIL 1
OF THE YEAR

PRINCIPAL
AMOUNT

CUSIP
NUMBER

\$

The Final Official Statement relating to the Bonds is dated _____, 2009 (the “*Final Official Statement*”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA and to the SID, if any, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State, with respect to any SID, at the time of delivery of such information and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA and the SID, if any) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner Material Events Disclosure to EMMA and to the SID, if any, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State, with respect to any SID, at the time of delivery of such information. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. DUTY TO UPDATE SID. The Issuer shall determine, in the manner it deems appropriate, the name and address of the then existing SID each time it is required to file information therewith.

7. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA and to the SID, if any, of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Issuer to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

8. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by resolution or ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer (such as the Trustee) ,or by approving vote of Bondholders pursuant to the terms of the Resolution at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Material Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

9. **TERMINATION OF UNDERTAKING.** The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice in a timely manner if this Section is applicable to EMMA and to the SID, if any.

10. **DISSEMINATION AGENT; MANNER OF DISSEMINATION PRIOR TO JULY 1, 2009.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

If a SID has been designated by the State, the Issuer shall be obligated to provide information for purposes of this Agreement to such SID only to the extent required by the laws of the State.

Pursuant to previous versions of the Rule and notwithstanding anything herein to the contrary, prior to July 1, 2009, the Issuer shall (i) provide or cause its Dissemination Agent, if applicable, to provide Annual Financial Information Disclosure to each Nationally Recognized Municipal Securities Information Repository (“*NRMSIR*”) then recognized by the Commission for purposes of the Rule and to the SID, if any, and not to the MSRB and (ii) determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs each time it is required to file information with such entities. On and after July 1, 2009, this paragraph shall have no force or effect.

11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA and the SID, if any.

12. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

Dated the date first above written.

BOISE STATE UNIVERSITY

By _____
Vice President for Finance and
Administration

Address: 1910 University Drive
Boise, Idaho 83725

EXHIBIT I**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS**

“Annual Financial Information” means financial information and operating data of the type contained in the Official Statement under the following captions: “SECURITY FOR THE SERIES 2009A BONDS—Historical Revenues Available for Debt Service,” “DEBT SERVICE REQUIREMENTS” and “APPENDIX B—Schedule of Student Fees,” exclusive of Audited Financial Statements.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA and to the SID, if any, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the SID, if any, or the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA and to the SID, if any, by 180 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with Government Accounting Standards Board principals. Audited Financial Statements will be submitted to EMMA and to the SID, if any within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II**EVENTS WITH RESPECT TO THE BONDS
FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

[TO BE DATED CLOSING DATE]

Re: \$_____

Boise State University
General Revenue and Refunding Bonds,
Series 2009A

We hereby certify that we have examined certified copy of the proceedings of the Board of Trustees (the “*Board*”) of Boise State University, an institution of higher education and a body politic and corporate of the State of Idaho (the “*University*”), including certified copy of the Supplemental Resolution adopted by the Board on_____, 2009 (the “*Supplemental Resolution*”), authorizing the issuance by the University of its General Revenue and Refunding Bonds, Series 2009A in the aggregate principal amount of \$_____ (the “*Series 2009A Bonds*”). The Series 2009A Bonds are issued and secured under the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as supplemented and amended, including by the Supplemental Resolution.

The Series 2009A Bonds are dated as of their date of original issuance and delivery and mature on April 1 of each of the years and in the amounts and bear interest as follows:

MATURITY DATE
(APRIL 1)

PRINCIPAL
AMOUNT

INTEREST
RATE

\$

%

MATURITY DATE
(APRIL 1)

PRINCIPAL
AMOUNT

INTEREST
RATE

The Series 2009A Bonds are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Series 2009A Bonds and in the Resolution. The Series 2009A Bonds are issuable as fully registered bonds, without coupons, in the denomination of \$5,000 or any whole multiple thereof.

The Series 2009A Bonds are being issued under the authority of Title 33, Chapter 38 Idaho Code, as amended (the “Act”), for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena, refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2009A Bonds.

Based on such examination, we are of the opinion that such proceedings show lawful authority for the issuance of the Series 2009A Bonds under the laws of the State of Idaho now in force and that:

(1) The Board has the power under the Act to adopt the Resolution on behalf of the University and the University has the authority to issue the Series 2009A Bonds, and the Resolution has been duly and lawfully adopted by the Board, is in full force and effect and is valid and binding upon the University and is enforceable in accordance with its terms (except (i) as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights generally or usual equity principles in the event equitable remedies are sought and (ii) to the extent that the obligations of the University under the Resolution are subject to the exercise in the future by the State of Idaho and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the power delegated to it by the federal constitution), and no other authorization for the Resolution is required.

(2) The Resolution creates the valid pledge that it purports to create of the Pledged Revenues (as defined in the Resolution), moneys, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution and, so long as any bonds previously issued under the Building Fee Resolution are outstanding, subject to application of certain Pledged Revenues, including certain fees, Sales and Services Revenues, and interest income, to the payment of such bonds.

(3) The Series 2009A Bonds are valid and binding general obligations of the University (subject to the limitations contained in, and application of the Pledged

Revenues as provided in, the Resolution), enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies are sought) and the terms of the Resolution, and the Series 2009A Bonds are entitled to the benefits of the Resolution and the Act, and the Series 2009A Bonds have been duly and validly authorized and issued in accordance with law and the Resolution.

(5) All actions, conditions and things required by the constitution and laws of the State of Idaho to happen, exist and be performed precedent to the issuance and sale of the Series 2009A Bonds have been complied with.

(6) Subject to the University's compliance with certain covenants, interest on the Series 2009A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Series 2009A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2009A Bonds. Ownership of the Series 2009A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2009A Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Series 2009A Bonds and the yield on certain investments by The Arbitrage Group, Inc., Certified Public Accountants.

(7) Under the laws of the State of Idaho, as presently enacted and construed, interest on the Series 2009A Bonds, so long as it is not includible in gross income for federal income tax purposes, is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act. Ownership or disposition of the Series 2009A Bonds may result in other Idaho tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2009A Bonds. We express no opinion with respect to taxation under any other provisions of Idaho law. Prospective purchasers of the Series 2009A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

We further certify that we have examined the form of the Series 2009A Bonds prescribed by the Resolution and find the same to be in due form of law.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2009A Bonds.

In rendering this opinion, we have relied upon certificates of the University with respect to certain material facts within its knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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SUPPLEMENTAL RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF

\$ _____

BOISE STATE UNIVERSITY

GENERAL REVENUE AND REFUNDING BONDS, SERIES 2009A

ADOPTED FEBRUARY 26, 2009

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EXHIBIT A — Form of Series 2009A Bonds

EXHIBIT B — Form of Written Certificate and Request

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$_____ General Revenue and Refunding Bonds, Series 2009A of Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement, an Escrow Agreement and a Continuing Disclosure Undertaking; and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2009A Bonds.

* * * * * *

WHEREAS, Boise State University (the “*University*”) is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the constitution and laws of the State of Idaho; and

WHEREAS, the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), is authorized, pursuant to Title 33, Chapter 38, Idaho Code, to issue bonds for “projects,” as defined in such act; and

WHEREAS, on September 17, 1992, the Board adopted a Resolution Providing for the Issuance of General Revenue Bonds, as supplemented and amended (the “*Resolution*”); and

WHEREAS, the University has previously issued its Student Union and Housing System Revenue Bonds, Series 1998 (the “*Series 1998 General Revenue Bonds*”), Student Fee Refunding and Improvement Revenue Bonds, Series 1998 (the “*Series 1998 Student Fee Bonds*”), and Student Building Fee Revenue Bonds, Series 2001 (the “*Series 2001 Bonds*”); and

WHEREAS, the Board has determined that refunding the Series 1998 General Revenue Bonds maturing on or after April 1, 2010 (the “*Series 1998 General Revenue Refunded Bonds*”), the Series 1998 Student Fee Bonds maturing on or after April 1, 2010 (the “*Series 1998 Student Fee Refunded Bonds*”), and Series 2001 Bonds maturing on or after April 1, 2010 (the “*Series 2001 Refunded Bonds*” and, collectively with the Series 1998 General Revenue Refunding Bonds and the Series 1998 Student Fee Refunded Bonds, the “*Refunded Bonds*”), as provided herein and in the hereinafter defined Escrow Agreement, will result in interest rate savings and other objectives beneficial to the University; and

WHEREAS, the Board has determined to issue its \$_____ Boise State University General Revenue and Refunding Bonds, Series 2009A (the “*Series 2009A Bonds*”) pursuant to Title 33, Chapter 38, Idaho Code, and Title 57, Chapter 5, Idaho Code (collectively, the “*Act*”), and the Resolution, for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena (the “*Series 2009A Project*”), refunding the Refunded Bonds, and paying costs of issuance of the Series 2009A Bonds;

WHEREAS, in satisfaction of Section 33-3805 of the Act, the Board has determined that the Series 2009A Project is necessary for the proper operation of the University and is economically feasible;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions. (a) Certain terms are defined in the preambles hereto. Except as provided in the preambles and subparagraph (b) of this Section, all capitalized terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“Bond Purchase Agreement” means the Bond Purchase Agreement dated February 26, 2009, between the Board and the Underwriter, pursuant to which the Series 2009A Bonds are to be sold.

“Bond Register” means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Series 2009A Bonds.

“Book-Entry System” means the book-entry system of registration of the Series 2009A Bonds described in Section 210 of this Supplemental Resolution.

“Cede & Co.” means Cede & Co., as nominee of DTC.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking with respect to the Series 2009A Bonds.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“Escrow Account” means the account created under the Escrow Agreement for the refunding of the Refunded Bonds.

“Escrow Agent” means U.S. Bank National Association, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of the date of delivery of the Series 2009A Bonds, between the University and the Escrow Agent, providing for the refunding of the Refunded Bonds.

“Representation Letter” means the Blanket Representations Letter from the University to DTC dated June 18, 1999.

“Resolution” means the Resolution Providing for the Issuance of General Revenue Bonds, adopted by the Board on September 17, 1992, as previously amended and supplemented, and as further amended and supplemented by this Supplemental Resolution.

“Securities Depository” means DTC or any successor Securities Depository appointed pursuant to Section 211.

“Series 2009A Bondholder” means the holder of any Series 2009A Bond.

“Series 2009A Bonds” means the University’s \$_____ Boise State University General Revenue and Refunding Bonds, Series 2009A.

“Series 2007A Costs of Issuance Fund” means the special account created by Section 302 of this Supplemental Resolution, from which the Costs of Issuance of the Series 2007A Bonds shall be paid.

“Supplemental Resolution” means this Supplemental Resolution of the Board adopted on February 26, 2009, authorizing the Series 2009A Bonds.

“Trustee” means U.S. Bank National Association, Salt Lake City, Utah, and its successors and permitted assigns under the Resolution, as paying agent, trustee, and registrar for the Series 2009A Bonds.

“Underwriter” means Barclays Capital Inc.

The terms *“hereby,” “hereof,” “hereto,” “herein,” “hereunder,”* and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

Section 102. Authority for Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2009A BONDS

Section 201. Authorization of Series 2009A Bonds, Principal Amount, Designation and Series. In order to provide funds to finance the Cost of Acquisition and Construction of the Series 2009A Project, refund the Refunded Bonds, and pay Costs of Issuance of the Series 2009A Bonds, and in accordance with and subject to the terms, conditions and limitations

established in the Resolution, a Series of General Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of \$_____. Such Series of Bonds shall be designated "General Revenue and Refunding Bonds, Series 2009A." The Series 2009A Bonds shall be issued only in fully-registered form, without coupons.

The Series 2009A Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2009A Bonds are secured by the pledge of the Pledged Revenues under Section 5.1 of the Resolution, equally and ratably with all Bonds issued under the Resolution.

Section 202. Finding and Purpose. The Board hereby finds, determines and declares that, (a) in satisfaction of Section 57-504 of the Act, (i) the refunding of the Series 1998 General Revenue Bonds and the Series 1998 Student Fee Bonds, as provided hereunder and in the Escrow Agreement, will result in debt service savings, and (ii) the refunding of the Series 2001 Bonds, as provided hereunder and in the Escrow Agreement, will, effective April 1, 2009, result in the consolidation of the University's bond system to a single general revenue bond system under the Resolution, which objectives the Board finds to be beneficial to the University, and (b) in satisfaction of Section 33-3805 of the Act, the Series 2009A Project is necessary for the proper operation of the University and is economically feasible, and the requirements of Article VII of the Resolution will have been complied with upon the delivery of the Series 2009A Bonds.

Section 203. Issue Date. The Series 2009A Bonds shall be dated the date of their original issuance and delivery.

Section 204. Series 2009A Bonds. (a) The Series 2009A Bonds shall bear interest at the rates and mature on the dates and in the principal amounts as follows:

APRIL 1 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
	\$	%

(b) The Series 2009A Bonds shall bear interest from their dated date, payable on October 1, 2009, and semiannually thereafter on each April 1 and October 1.

Section 205. Sale of Series 2009A Bonds. The Series 2009A Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate purchase price equal to the principal amount of the Series 2009A Bonds, plus net original issuance premium of \$_____, on the terms and conditions set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, on behalf of the Board and the University, the Bond Purchase Agreement, in the form presented at this meeting.

The use of the final Official Statement (the “*Official Statement*”) of the University in connection with the sale of the Series 2009A Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such Official Statement and deliver such Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2009A Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated February 11, 2009, by the Underwriter and the actions of the University, including the certification by the Bursar deeming the Preliminary Official Statement final pursuant to Rule 15c2-12 of the Securities Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended (“*Rule 15c2-12*”) in connection with the offering of the Series 2009A Bonds, are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Series 2009A Bonds that the University shall have executed and delivered the Continuing Disclosure Undertaking. The

Continuing Disclosure Undertaking is hereby ratified and approved in all respects, and the Bursar is hereby authorized to execute and deliver the Continuing Disclosure Undertaking in substantially the form set forth in APPENDIX E to the Official Statement.

The Bursar of the University, the President of the Board (the “*President*”), and the Secretary of the Board (the “*Secretary*”) are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

Section 206. Execution and Delivery of Series 2009A Bonds. The Series 2009A Bonds shall be manually executed on behalf of the University by the President of the Board and the Bursar of the University, and attested by the Secretary of the Board. The Series 2009A Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution.

Section 207. Redemption of Series 2009A Bonds. (a) [The Series 2009A Bonds maturing on or before April 1, [2019], shall not be subject to call or redemption prior to their stated dates of maturity. On [April 1, 2019] or on any date thereafter, at the election of the University, the Series 2009A Bonds maturing on or after April 1, [2020], shall be subject to redemption, in whole or in part, as selected by the University, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a price of 100% of the principal amount of the Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date.

(b) The Series 2009A Bonds maturing on April 1, _____ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a redemption price equal to 100% of the principal amount of the Series 2009A Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	\$

*

* Stated maturity.

(c) Each notice of redemption shall be given as provided in Section 4.3(A) of the Resolution, and shall include the information required with respect redemption notices provided pursuant to 4.3(C)(1) of the Resolution. In addition, with respect to any notice of optional redemption of Series 2009A Bonds, unless upon the giving of such notice such Series 2009A Bonds shall be deemed to have been paid within the meaning of Article XII of the Resolution, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee

on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the Series 2009A Bonds to be redeemed, and that if such money shall not have been so received, said notice shall be of no force and effect and the University shall not be required to redeem such Series 2009A Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Section 208. Form of Series 2009A Bond. The Series 2009A Bonds are hereby authorized to be issued in the form set forth in *Exhibit A* attached hereto and incorporated herein by this reference.

Section 209. Submittal to Attorney General. There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Board, a certified copy of this Supplemental Resolution, together with the proceedings relating to their adoption, in order that the Attorney General may examine and pass upon the validity of the Series 2009A Bonds and the regularity of such proceedings, in the manner and with the effect specified in the Act.

Section 210. Book-Entry-Only System. (a) The Series 2009A Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2009A Bonds, except in the event that the Trustee issues Replacement Bonds, as provided below. It is anticipated that during the term of the Series 2009A Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2009A Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below. So long as any of the Series 2009A Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on the Series 2009A Bonds and all notices with respect to the Series 2009A Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the Series 2009A Bonds, and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the book-entry system of the Securities Depository, the University shall execute, and the Trustee shall authenticate and deliver, one or more Series 2009A Bond certificates (the "*Replacement Bonds*") to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial Owners' interests in the Series 2009A Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2009A Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to Series 2009A Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2009A Bonds;

(iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2009A Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2009A Bonds.

(d) The Representation Letter previously executed and delivered by the University to DTC is for the purpose of effectuating the initial Book-Entry System for the Series 2009A Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of this Bond Resolution, which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of the Resolution, the terms of the Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 211. Successor Securities Depository. In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the Trustee, with the written consent of the University, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2009A Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2009A Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

CREATION OF ACCOUNTS, APPLICATION OF BOND PROCEEDS

Section 301. Creation of Accounts. In accordance with Section 5.4(B) of the Resolution, there is hereby established in the Construction Fund (i) a “Series 2009A Project Account” and (ii) a “Series 2009A Costs of Issuance Account,” in each case to be held by the University.

Section 302. Application of Proceeds of Series 2009A Bonds. The proceeds of the sale of the Series 2009A Bonds (net of a \$_____ fee paid to the Underwriter for its services with respect to the Series 2009A Bonds) shall be deposited as follows:

- (i) \$_____ into the Series 2009A Project Account for the payment of Costs of Acquisition and Construction of the Series 2009A Project;
- (ii) \$_____ into the Escrow Account for the refunding of the Refunded Bonds, as provided in the Escrow Agreement; and
- (iii) \$_____ into the Series 2009A Costs of Issuance Account for the payment of costs of issuance of the Series 2009A Bonds.

Before any payment is made from the Series 2009A Project Account or the Series 2009A Costs of Issuance Account, the University shall execute a Written Certificate as required by Section 5.4(E) or 5.4(F), as applicable, of the Resolution.

ARTICLE IV

RELEASE OF MONEYS IN THE DEBT SERVICE RESERVE ACCOUNT

In accordance with Section 303 of the Supplemental Resolution adopted by the Board on January 8, 2007 (the “2007 Supplemental Resolution”), the liquidation of all moneys on deposit in the Debt Service Reserve Account (currently estimated to be approximately \$_____) and the use of such moneys to finance the cost of approved capital acquisitions or improvements is hereby authorized and approved. The University shall not use such facilities in a manner contrary to the Tax Exemption Certificate and Agreement to be entered into between the University and the Trustee on the date of issuance of the Series 2009A Bonds. In connection with the release of such amounts, the University shall deliver a Written Certificate and Request to the Trustee, in substantially the form attached hereto as *Exhibit B*, requesting that the Trustee (i) transfer all such moneys in the Debt Service Reserve Account to the University, and (ii) in accordance with the Continuing Disclosure Undertakings with respect to the Bonds, deliver notice to the NRMSIR of the release of such moneys, in substantially the form attached to such certificate as *Annex A*.

ARTICLE V

REFUNDING

Section 501. Refunding of Refunded Bonds. The Refunded Bonds shall be refunded with a portion of the proceeds of the Series 2009A Bonds, as provided in Section 302 hereof and in the Escrow Agreement. The Series 1998 General Revenue Refunded Bonds and the Series 1998 Student Fee Refunded Bonds are irrevocably called for redemption on April 1, 2009. Notice of defeasance of the Series 2001 Refunded Bonds shall be given as provided in the Escrow Agreement and the applicable bond resolutions, and the delivery of notice of redemption of the Series 1998 General Revenue Refunded Bonds and the Series 1998 Student Fee Refunded Bonds is hereby ratified and approved.

In satisfaction of Section 7.5(i) of the Resolution, the revenues that secured the Series 1998 Student Fee Refunded Bonds and the Series 2001 Student Fee Refunded Bonds shall constitute Pledged Revenues (subject to the lien on such revenues with respect to the Student Building Fee Bonds to remain outstanding upon the issuance of the Series 2009A Bonds), as set forth in the Resolution.

Section 502. Approval of Escrow Agreement. The Escrow Agreement between the University and the Escrow Agent, in substantially the form presented to the Board at the time of adoption of this Supplemental Resolution, is hereby authorized and approved, and the Bursar is hereby authorized, empowered and directed to execute and deliver the Escrow Agreement on behalf of the Board and the University, with such changes to the Escrow Agreement from the form attached hereto as are approved by the Bursar, her execution thereof to constitute conclusive evidence of such approval. The Bursar is hereby authorized to perform all such acts as may be necessary or advisable to comply with the Escrow Agreement or to carry out or give effect to the Escrow Agreement.

ARTICLE VI

MISCELLANEOUS

Section 601. Other Actions With Respect to the Series 2009A Bonds. The officers and employees of the University shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2009A Bonds, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2009A Bonds. All actions heretofore taken in connection therewith are hereby ratified, approved and consummated. If (a) the President of the Board or the Bursar or (b) the Secretary shall be unavailable to execute or seal or attest, respectively, the Series 2009A Bonds or the other documents that they are hereby authorized to execute, seal and attest, the same may be executed, or sealed and attested

by, respectively, (i) the President, the Bursar, or any Vice President of the Board or the University, or (ii) any Assistant Secretary of the Board.

Section 602. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in the Resolution should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the Resolution, this Supplemental Resolution or the Series 2009A Bonds, but the Series 2009A bondholders shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 603. Conflicting Resolutions; Effective Date. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

ADOPTED AND APPROVED this 26th day of February, 2009.

BOARD OF TRUSTEES OF BOISE STATE
UNIVERSITY

President

ATTEST:

Secretary

[SEAL]

EXHIBIT A**[FORM OF SERIES 2009A BONDS]**

R- _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF IDAHO****BOISE STATE UNIVERSITY
GENERAL REVENUE AND REFUNDING BONDS, SERIES 2009A**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	April 1, ____	_____, 2009	_____

Registered Owner:

Principal Amount: ----- DOLLARS -----

KNOW ALL MEN BY THESE PRESENTS that Boise State University, a body politic and corporate and an institution of higher education of the State of Idaho (the "*University*"), for value received, hereby promises to pay, from the Bond Fund (as defined in the hereinafter defined Resolution), to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on October 1, 2009, and semiannually on each April 1 and October 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

THIS BOND IS AN OBLIGATION OF THE UNIVERSITY PAYABLE SOLELY IN ACCORDANCE WITH THE TERMS HEREOF AND IS NOT AN OBLIGATION, GENERAL, SPECIAL, OR OTHERWISE OF THE STATE OF IDAHO, DOES NOT CONSTITUTE A DEBT, LEGAL, MORAL, OR OTHERWISE, OF THE STATE OF IDAHO, AND IS NOT ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT HEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE REVENUES, FEES, AND CHARGES PLEDGED THERETO IN THE RESOLUTION. The principal of, interest on, and redemption price of the Bonds is payable solely from Pledged Revenues, which consist principally of revenues from certain student fees and enterprises, as more particularly set forth in the Resolution. Pursuant to the Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund to provide for the prompt payment of the principal of, interest on, and redemption price of the Bonds. For a more particular description of the Bond Fund, the revenues to be deposited therein, and the nature and extent of the security for the Bonds, reference is made to the provisions of the Resolution.

Principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall appear on the registration books of the University (the "*Bond Register*") maintained by U.S. Bank National Association, Salt Lake City, Utah (the "*Trustee*"). Interest shall be paid to the registered owner whose name appears on the Bond Register on the 15th day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid to such registered owner on the due date, by check or draft of the Trustee or by wire or other transfer, at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.

This Bond is one of the General Revenue and Refunding Bonds, Series 2009A (the "*Series 2009A Bonds*"), of the University issued in the aggregate principal amount of \$_____ for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University's existing events arena, refunding certain outstanding bonds of the University, and paying costs of issuance of the Series 2009A Bonds. The Series 2009A Bonds are issued pursuant to and in full compliance with the constitution and statutes of the State of Idaho, particularly Title 33, Chapter 38, Idaho Code, and Title 57, Chapter 5, Idaho Code, and a Resolution Providing for the Issuance of General Revenue Bonds, duly adopted and authorized by the Board of Trustees of the University (the "*Board*") on September 17, 1992, as previously supplemented and amended, and as further supplemented by a Supplemental Resolution adopted by the Board on February 26, 2009, authorizing the issuance of the Series 2009A Bonds (collectively, the "*Resolution*").

[The Series 2009A Bonds maturing on or before April 1, 2019, are not subject to call or redemption prior to their stated dates of maturity. On April 1, 2019 or on any date thereafter, at the election of the University, the Series 2009A Bonds maturing on or after April 1, 2020, are subject to redemption, in whole or in part, as selected by the University, upon notice as hereinafter provided, at a price of 100% of the principal amount of the Series 2009A Bonds to be redeemed, plus accrued interest to the redemption date.]

[The Series 2009A Bonds maturing on April 1, _____ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in the Resolution, at a redemption price equal to 100% of the principal amount of the Series 2009A Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:]

APRIL 1
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

\$

*

*

Stated maturity.

The Series 2009A Bonds are initially issued in the form of a separate certificated, fully-registered Bond for each maturity and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”).

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE UNIVERSITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Notice of redemption shall be given by mailing notice to the registered owner thereof not less than 35 days nor more than 60 days prior to the redemption date at the address shown on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Provided that funds for the redemption price, together with interest to the redemption date, are on deposit at the place of payment at such time, the Series 2009A Bonds shall cease to accrue interest on the specified redemption date and shall not be deemed to be outstanding as of such redemption date.

Upon any partial redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Bond or shall make an appropriate notation with respect to this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Series 2009A Bonds shall not be transferable or exchangeable except as set forth in the Resolution. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Series 2009A Bond, of the same denomination, maturity, and interest rate will be issued to the transferee in exchange therefor.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the other Series 2009A Bonds of this issue does not violate any constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed by the President of the Board and the Bursar of the University, and attested by the Secretary of the Board, and a facsimile or original of the official seal of the University to be imprinted hereon, as of this 19th day of March, 2009.

BOISE STATE UNIVERSITY

By _____
President,
Board of Trustees

By _____
Bursar

ATTEST:

Secretary,
Board of Trustees

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Boise State University General Revenue and Refunding Bonds, Series 2009A, described in the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By
Authorized Signature

Date of Authentication: _____.

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face the within Bond shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right	(Cust) (Minor)
		of survivorship and not as	under Uniform Transfers to Minors Act of
		tenants in common	_____
			(State)

Additional abbreviations may also be used
though not in the list above.

For value received _____ hereby sells,
assigns and transfers unto

INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of BOISE STATE UNIVERSITY, and hereby irrevocably constitutes and appoints
_____ Attorney to register the transfer of said Bond on
the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ Signature: _____

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

VALIDATION CERTIFICATE

I hereby certify that I have examined a certified copy of the record of proceedings taken preliminary to and in the issuance of the within bond; that such proceedings and such bond conform to and show lawful authority for the issuance thereof in accordance with the provisions of Title 33, Chapter 38, Idaho Code, as amended. Such bond has been issued in accordance with the Constitution and laws of the State of Idaho and shall in any suit, action or proceeding involving its validity be conclusively deemed to be fully authorized by Title 33, Chapter 38, Idaho Code, and to have been issued, sold, executed, and delivered in conformity with the Constitution and laws of the State of Idaho and to be valid and binding and enforceable in accordance with its terms, and such bond is incontestable for any cause.

Hon. Lawrence Wasden
Attorney General

EXHIBIT B**WRITTEN CERTIFICATE AND REQUEST REGARDING
RELEASE OF MONEYS IN DEBT SERVICE RESERVE ACCOUNT**

The undersigned Vice President of Finance and Administration and Bursar of Boise State University (the “*University*”), does hereby certify and request as follows:

1. I have read Article IV of the Supplemental Resolution of the University, adopted February 26, 2009 (the “*Supplemental Resolution*”), supplementing the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992 (as supplemented and amended, including by the Supplemental Resolution, the “*Resolution*”), which requires the University to deliver a Written Certificate of the University to the Trustee in connection with the release of moneys from the Debt Service Reserve Account, as permitted by the Resolution.

2. I have also read the provisions of Section 1.1 (Written Certificate) of the Resolution and Article IV of the Supplemental Resolution, and in connection therewith, have undertaken an examination and investigation of the facts and circumstances on which this Written Certificate and Request (this “*Written Certificate*”) is based in order to make the certifications and requests contained herein, and, in my opinion, this Written Certificate complies with the provisions of Section 1.1 of the Resolution and Article IV of the Supplemental Resolution.

3. I am the duly appointed and qualified and acting Vice President for Finance and Administration and Bursar of the University and, as such, am familiar with the books and corporate records of the University.

4. The University hereby requests the Trustee to transfer all moneys* on deposit in the Debt Service Reserve Account to the University, to be used to pay certain capital costs, as provided in Article IV of the Supplemental Resolution.

5. Pursuant to the Continuing Disclosure Undertakings with respect to the Bonds (the “*Continuing Disclosure Undertaking*”), the University hereby requests and instructs the Trustee to provide notice of the release of such moneys from the Debt Service Reserve Account to the NRMSIR (as defined in the Continuing Disclosure Undertakings), in substantially the form attached hereto as *Annex A*.

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Resolution.

* The debt service reserve surety bond issued by Financial Guaranty Insurance Company will remain on deposit in the Debt Service Reserve Account unless otherwise directed by the University in the future.

IN WITNESS WHEREOF, the undersigned has hereunto set her official signature this 19th day of March, 2009.

BOISE STATE UNIVERSITY

By _____
Vice President for Finance and
Administration and Bursar

ANNEX A**MATERIAL EVENT NOTICE COVER SHEET**

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer: Boise State University

Issuer's Nine-Digit CUSIP Number(s) to which this material event notice relates: See Schedule A.

Number of pages of attached material event notice: 4

Description of Material Event Notice (Check One):

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ☐ Modifications to rights of security holders
8. ☐ Bond calls
9. ☐ Defeasances
10. ☒ Release, substitution, or sale of property securing repayment of the securities (See Schedule A)
11. ☐ Rating changes
12. ☐ Failure to provide annual financial information as required
13. ☐ Other material event notice (specify) _____

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature: _____

Name: Stacy Pearson

Title: Vice President for Finance and Administration

Employer: Boise State University

Address: 1910 University Drive

City, State, Zip Code: Boise, Idaho 83725

Voice Telephone Number: (208) 426-1200

Note: If filed with the MSRB, please print the material event notice attached to this cover sheet in 10-point type or larger. The cover sheet and notice may be faxed to the MSRB at (703) 683-1930. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.

SCHEDULE A

Certain amendments (the “*Amendments*”) to the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992 (as supplemented and amended, the “*Resolution*”) by the Board of Trustees of Boise State University (the “*University*”), took effect on January 30, 2007 with respect to the bonds of the University shown in Schedule I (collectively, the “*Bonds*”), upon receipt of the necessary bondholder consents. A separate Material Event Notice summarizing the Amendments was previously filed with the NRMSIRs on or around the effective date of the Amendments. Among other things, the Amendments eliminated the requirement that a debt service reserve be maintained with respect to the Bonds. Following the effective date of the Amendment, the University continued to voluntarily maintain certain moneys on deposit in the Debt Service Reserve Account for the security and benefit of the owners of the Bonds. However, in accordance with the Resolution, as amended by the Amendments, all moneys in the Debt Service Reserve Account have been released from such account to the University. The Municipal Bond Debt Service Reserve Fund Policy issued by Financial Guaranty Insurance Company shall remain in the Debt Service Reserve Account unless otherwise directed by the University in the future.

SCHEDULE I

BONDS	CUSIP	MATURITY DATE
General Revenue Bonds, Series 2007C (Taxable)	097464 TV 3	April 1, 2014
General Revenue Bonds, Series 2007B	097464 TD 3	April 1, 2014
	097464 TE 1	April 1, 2015
	097464 TF 8	April 1, 2016
	097464 TG 6	April 1, 2017
	097464 TH 4	April 1, 2018
	097464 TJ 0	April 1, 2019
	097464 TK 7	April 1, 2020
	097464 TL 5	April 1, 2021
	097464 TM 3	April 1, 2022
	097464 TN 1	April 1, 2023
	097464 TP 6	April 1, 2024
	097464 TQ 4	April 1, 2025
	097464 TR 2	April 1, 2026
	097464 TS 0	April 1, 2027
	097464 TT 8	April 1, 2032
	097464 TU 5	April 1, 2037
General Revenue and Refunding Bonds, Series 2007A	097464 SG 7	April 1, 2012
	097464 SH 5	April 1, 2013
	097464 SJ 1	April 1, 2014
	097464 SK 8	April 1, 2015
	097464 SL 6	April 1, 2016
	097464 SM 4	April 1, 2017
	097464 SN 2	April 1, 2018
	097464 SP 7	April 1, 2019
	097464 SQ 5	April 1, 2020
	097464 SR 3	April 1, 2021
	097464 SS 1	April 1, 2022
	097464 ST 9	April 1, 2023
	097464 SU 6	April 1, 2024
	097464 SV 4	April 1, 2025
	097464 SW 2	April 1, 2026
	097464 SX 0	April 1, 2027
	097464 SY 8	April 1, 2032
	097464 SZ 5	April 1, 2036
	097464 TA 9	April 1, 2037

BONDS	CUSIP	MATURITY DATE
General Revenue and Refunding Bonds, Series 2005A	097464 RJ 2	April 1, 2009
	097464 RK 9	April 1, 2010
	097464 RL 7	April 1, 2011
	097464 RM 5	April 1, 2012
	097464 RX 1	April 1, 2012
	097464 RN 3	April 1, 2013
	097464 RP 8	April 1, 2014
	097464 RQ 6	April 1, 2015
	097464 RR 4	April 1, 2016
	097464 RS 2	April 1, 2017
	097464 RT 0	April 1, 2018
	097464 RU 7	April 1, 2019
	097464 RV 5	April 1, 2025
	097464R W 3	April 1, 2034
General Revenue Bonds, Series 2004A	097464 QM 6	April 1, 2009
	097464 QN 4	April 1, 2010
	097464 QP 9	April 1, 2011
	097464 QQ 7	April 1, 2012
	097464 QR 5	April 1, 2013
	097464 QS 3	April 1, 2014
	097464 QT 1	April 1, 2015
	097464 QU 8	April 1, 2016
	097464 QV 6	April 1, 2017
	097464 QW 4	April 1, 2018
	097464 QX 2	April 1, 2019
	097464 QY 0	April 1, 2020
	097464 QZ 7	April 1, 2021
	097464 RA 1	April 1, 2022
	097464 RB 9	April 1, 2023
	097464 RC 7	April 1, 2024
	097464 RD 5	April 1, 2028
	097464 RE 3	April 1, 2033
Student Union and Housing System Refunding and Improvement Revenue Bonds, Series 2003	097464 PY 1	April 1, 2009
	097464 PZ 8	April 1, 2010
	097464 QA 2	April 1, 2011
	097464 QB 0	April 1, 2012
	097464 QC 8	April 1, 2013
	097464 QD 6	April 1, 2014
	097464 QE 4	April 1, 2015
	097464 QF 1	April 1, 2016
	097464 QG 9	April 1, 2017

BONDS	CUSIP	MATURITY DATE
Student Union and Housing System Refunding and Improvement Revenue Bonds, Series 2002	097464 PR 6	April 1, 2022
	097464 SE 2	April 1, 2022
	097464 SF 9	April 1, 2022
	097464 TB 7	April 1, 2022
	097464 TC 5	April 1, 2022
	097464 PS 4	April 1, 2031
Student Union and Housing System Refunding Revenue Bonds, Series 1998	097464 MR 9	April 1, 2009
	097464 MS 7	April 1, 2010
	097464 MT 5	April 1, 2011
	097464 MU 2	April 1, 2012
	097464 NB 3	April 1, 2013
	097464 NC 1	April 1, 2014
	097464 MV 0	April 1, 2015

BOISE STATE UNIVERSITY
\$_____ GENERAL REVENUE AND REFUNDING BONDS,
SERIES 2009A

BOND PURCHASE AGREEMENT

February 26, 2009

Boise State University
 Attn: Stacy Pearson, Vice President
 for Finance and Administration
 1910 University Drive
 Boise, Idaho 83725

Ladies and Gentlemen:

The undersigned, Barclays Capital Inc., as underwriter (the “*Underwriter*”), hereby offers to enter into this Bond Purchase Agreement (the “*Purchase Agreement*”) with Boise State University (the “*University*”), which, upon the acceptance by the University of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon the University and the Underwriter.

This offer is made subject to your acceptance and approval on or before 5:00 p.m. Mountain Time on the date hereof, and until so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the University by the Underwriter at any time prior to the execution and acceptance hereof by the University. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter defined Resolution.

ARTICLE I

Section 1.1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the University, and the University hereby agrees to sell to the Underwriter, all, but not less than all, of the University’s \$_____ aggregate principal amount of General Revenue and Refunding Bonds, Series 2009A (the “*Bonds*”), for a purchase price equal to \$_____, representing the principal amount of the Bonds, plus net original issue premium of \$_____ (the “*Purchase Price*”). In consideration for its services, the University agrees to pay to the Underwriter a fee of \$_____ (the “*Underwriter’s Fee*”).

Section 1.2. The Bonds. The Bonds are being issued for the purpose of financing the cost of acquisition and construction of a new research building and certain improvements to the University’s existing events arena, refunding certain of the University’s outstanding bonds, and paying costs of issuance of the Series 2009A Bonds.

The Bonds shall be dated as of their date of delivery, bear interest at the rates, mature in the amounts and on the dates, and be subject to redemption prior to maturity, as set forth in SCHEDULE I hereto. The Bonds shall be issued pursuant to the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a Supplemental Resolution adopted February 26, 2009 (the “*Supplemental Resolution*” and, together with the Master Resolution, the “*Resolution*”) by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), substantially in the form heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon between us.

The Bonds will be payable from and secured by a pledge of certain revenues of the University (as defined in the Resolution, the “*Pledged Revenues*”), on a parity with all bonds now outstanding under the Resolution (collectively, the “*Outstanding Parity Bonds*”) and any additional bonds hereafter issued under the Resolution.

Section 1.3. Official Statement; Continuing Disclosure. (a) The Bonds shall be offered pursuant to an Official Statement of even date herewith (which, together with the cover page and all appendices thereto, and with such changes therein and supplements thereto which are consented to in writing by the Underwriter is herein called the “*Official Statement*”).

(b) Concurrently with the University’s execution hereof, the University shall deliver or cause to be delivered to the Underwriter one copy of the Official Statement, substantially in the same form as the Preliminary Official Statement dated February 11, 2009 (the “*Preliminary Official Statement*”) with only such changes therein as shall have been accepted by the Underwriter, signed on behalf of the University by its Vice President for Finance and Administration. The University has previously deemed the Official Statement “final” as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (“*Rule 15c2-12*”), and the University hereby authorizes the use of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. The University agrees to provide to the Underwriter, on or prior to the Closing Date, and in any event not later than seven business days after the date hereof, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

(c) If at any time prior to 25 days after the “end of the underwriting period” (as defined below), any event shall occur of which the University has knowledge which might or would cause the Official Statement to contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the University shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the University will (i) supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and (ii) provide the Underwriter with such certificates and legal opinions as shall be requested by the Underwriter in order to evidence the accuracy and completeness of the Official Statement as so supplemented or amended. If the Official Statement is so supplemented or amended prior to the

Closing (defined below), such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Agreement by written notification delivered to the University by the Underwriter at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

(d) For purposes of this Purchase Agreement, the “end of the underwriting period” shall mean the day of the Closing, or, if the University has been notified in writing by the Underwriter on or prior to the date of the Closing that the “end of the underwriting period” within the meaning of Rule 15c2-12 will not occur on the date of the Closing, such later date on which the “end of the underwriting period” within such meaning has occurred. In the event that the University has been given notice pursuant to the preceding sentence that the “end of the underwriting period” will not occur on the date of the Closing, the Underwriter agrees to notify the University in writing of the date it does occur as soon as practicable following the “end of the underwriting period” for all purposes of Rule 15c2-12; *provided, however*, that if the Underwriter has not otherwise so notified the University of the “end of the underwriting period” by the 90th day after the Closing, then the “end of the underwriting period” shall be deemed to occur on such 90th day unless otherwise agreed to by the University.

(e) In order to enable the Underwriter to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 in connection with the offering of the Bonds, the University covenants and agrees with the Underwriter that it will execute and deliver a Continuing Disclosure Undertaking with respect to the Bonds in substantially the form attached as APPENDIX E to the Preliminary Official Statement (the “*Continuing Disclosure Undertaking*”) on or before the Closing Date.

Section 1.4. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices set forth on the cover page of the Official Statement.

Section 1.5. Closing. The “*Closing Date*” shall be March 19, 2009, or such other date as the University and the Underwriter shall mutually agree upon. The delivery of and payment for the Bonds and the other actions described in Sections 1.5 and 3.1 of this Purchase Agreement are referred to herein as the “*Closing*.” The Closing shall take place at the offices of Chapman and Cutler LLP in Salt Lake City, Utah. On the Closing Date, the University will deliver the Bonds or cause the Bonds to be delivered to or for the account of The Depository Trust Company (“*DTC*”), duly executed and authenticated. The University will also deliver to the Underwriter at the Closing the other documents described below and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1.1 hereof in federal funds payable to the order of the University. The Bonds will be registered in the name of Cede & Co., as nominee of DTC.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY

To induce the Underwriter to enter into this Purchase Agreement, the University represents and warrants to the Underwriter as follows:

Section 2.1. The University has been duly organized and is validly existing under the Constitution and laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Purchase Agreement and the Official Statement, including the execution, delivery and approval of all documents and agreements referred to herein or therein.

Section 2.2. The execution and delivery of the Resolution, the approval by the University of this Purchase Agreement and the Bonds, and the application of the proceeds of the Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, or any other agreement, resolution, mortgage, lease or instrument by which the University or any of its respective property is or may be bound.

Section 2.3. The University has duly authorized all necessary action to be taken by it for the issuance and sale of the Bonds by the University upon the terms and conditions set forth herein and in the Official Statement and the Resolution.

Section 2.4. Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the knowledge of the University, threatened against or affecting the University, or to the knowledge of the University, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the University or the transactions contemplated by this Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability of the Bonds, the Resolution or any agreement or instrument by which the University is or may be bound, or would in any way adversely affect the existence or powers of the University, or would in any way adversely affect the tax-exempt status of interest on the Bonds.

Section 2.5. The University is not in breach of or in default under any existing law, court or administrative regulation, decree or order, or any other agreement, resolution, mortgage, lease, sublease or other instrument to which the University is a party or by which it or its property is or may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to such extent as could have a material adverse effect on the financial condition of the University or the transactions contemplated by this Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or the Resolution, or would in any way

adversely affect the existence or powers of the University, or would in any way adversely affect the tax-exempt status of interest on the Bonds.

Section 2.6. The audited financial statements of the University as of June 30, 2008, and for the fiscal year then ended are a fair presentation of the financial position of the University, the results of the University's operations, and the University's changes in its net assets for the periods specified as of the dates indicated.

Except as described in the Preliminary Official Statement, since June 30, 2008, there has been no material adverse change in the condition, financial or otherwise, of the University from that set forth in the audited financial statements as of and for the period ended that date; and except as described in the Preliminary Official Statement, the University, since June 30, 2008, has not incurred any material liabilities, directly or indirectly, except in the ordinary course of the University's operations.

Section 2.7. Each representation, warranty or agreement stated in any certificate signed by any officer of the University and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the University upon which the Underwriter shall be entitled to rely.

ARTICLE III

CLOSING CONDITIONS

Section 3.1. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties herein and the performance by the University of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following conditions:

(a) The representations and warranties of the University contained herein shall be true, complete and correct in all material respects at the date hereof and on the Closing Date, as if made on the Closing Date. At the time of Closing (i) the Official Statement, the Resolution and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (ii) the proceeds of sale of the Bonds shall be paid to the Trustee of the Bonds for deposit or use as described in the Official Statement. On the Closing Date, no "Event of Default" shall have occurred or be existing under the Resolution nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an Event of Default under the Resolution, nor shall the University be in default in the payment of principal of or interest on any of its obligations for borrowed money.

(b) The Underwriter shall have the right to terminate this Purchase Agreement by written notification delivered to the University by the Underwriter, if at any time on or prior to the Closing Date: (i) the Official Statement shall have been amended, modified

or supplemented without the consent of the Underwriter; (ii) any event shall occur which makes untrue any statement of a material fact in the Official Statement or makes an omission of a fact that should be included in the Official Statement in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading; (iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Idaho (the “*State*”), or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; (iv) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the “*Securities Act*”), or that the Resolution needs to be qualified under the Trust Resolution Act of 1939, as amended and as then in effect (the “*Trust Resolution Act*”); (v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds are not exempt from registration under the Securities Act, or that the Resolution is not exempt from qualification under the Trust Resolution Act; (vi) legislation shall have been passed by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or the State Legislature, or a decision shall have been rendered by a court of the United States or of the State or by the Tax Court of the United States, or a ruling or an official statement (including a press release) or proposal shall have been made or a regulation shall have been proposed or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the University pursuant to the Resolution, or upon interest on obligations of the general character of the Bonds, or, with respect to State taxation of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated in connection herewith, or any other action or events shall have occurred which, in the judgment of the Underwriter, materially adversely affect the market for the Bonds or the market price generally of obligations of the general character of the Bonds; (vii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (viii) a general banking moratorium shall have been established by federal, State or New York authorities; (ix) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or mobilization in anticipation thereof, any terrorist activities, or a national or international

calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States would, in the reasonable opinion of the Underwriter, affect materially or adversely the ability of the Underwriter to market the Bonds; (x) any rating of the Bonds shall have been downgraded or withdrawn by a national rating service; or (xi) any action, suit or proceeding described in Section 2.4 or 3.1(c)(4) shall have been commenced; and

(c) At or prior to the Closing for the Bonds, the Underwriter shall receive the following documents:

(1) The approving opinion of Chapman and Cutler LLP (“*Bond Counsel*”), dated the date of Closing, in substantially the form included as APPENDIX F to the Official Statement;

(2) The opinion of Chapman and Cutler LLP, as Disclosure Counsel, dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as *Exhibit A*;

(3) The opinion of Kevin D. Satterlee, counsel to the University, in substantially the form attached hereto as *Exhibit B*;

(4) The University’s certificate or certificates signed by its Vice-President for Finance and Administration dated the date of the Closing to the effect that (A) no litigation is pending or, to its knowledge, threatened: (i) to restrain or enjoin the collection of Pledge Revenues under the Resolution; (ii) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds, the Resolution, this Purchase Agreement or the exemption from federal income taxation of interest on the Bonds; or (iii) in any way contesting the powers or operation of the University; (B) to the best of her knowledge, the descriptions and information contained in the Official Statement relating to the University and its operational and financial and other affairs and the application of the proceeds of sale of the Bonds are correct in all material respects, as of the date of the Official Statement and as of the date of Closing; (C) such descriptions and information, as of the date of the Official Statement, did not, and, as of the date of Closing, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (D) at the time of the Closing, no default or event of default has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Resolution, this Purchase Agreement or any other material agreement or material instrument to which the University is a party or by which it is or may be bound or to which any of its property or other assets is or may be subject; (E) the Resolution of the University authorizing or approving the execution of this Purchase Agreement, the Continuing Disclosure Undertaking, the Escrow Agreement between the University and U.S. Bank National

Association, as escrow agent (the “*Escrow Agreement*”), the Official Statement, and the form of the Bonds has been duly adopted by the University and has not been modified, amended or repealed; (F) no event affecting the University has occurred since the date of the Official Statement that either makes untrue, as of the date of Closing, any statement or information relating to the same and contained in the Official Statement or that should be disclosed therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; and (G) the representations of the University herein are true and correct in all material respects as of the date of Closing;

(5) A copy of the transcript of all proceedings of the University, including the Supplemental Resolution, relating to the authorization and issuance of the Bonds, certified by appropriate officials of the University;

(6) A certificate of the University relating to matters affecting the tax-exempt status of interest on the Bonds, including the use of proceeds of sale of the Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(7) Satisfactory evidence that the Bonds are rated “__” and “__” by Moody’s Investors Service, Inc. and Standard & Poor’s, respectively;

(8) Copies of the Official Statement related to the Bonds executed on behalf of the University;

(9) An executed counterpart of the Continuing Disclosure Undertaking;

(10) A specimen Bond;

(11) A copy of the executed Information Return for Tax-Exempt Governmental Bond Issues, Form 8038-G, and evidence of filing thereof;

(12) Evidence that a copy of the Official Statement has been filed with the Treasurer of the State of Idaho, pursuant to Idaho Code Section 67-1222;

(13) An executed counterpart of the Escrow Agreement;

(14) Escrow verification report issued by The Arbitrage Group, Inc (the “*Verifier*”).

(15) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

If the University shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the University shall be under further obligation hereunder, except as further set forth in Article IV hereof. However, the Underwriter may, in its sole discretion, waive one or more of the conditions imposed by this Purchase Agreement and proceed with the Closing. Acceptance of the Bonds and payment therefor by the Underwriter shall be deemed a waiver of noncompliance with any of the conditions herein.

ARTICLE IV

FEES AND EXPENSES

All expenses and costs of the University incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing of the Bonds; advertising costs; the costs of posting, printing, duplicating and mailing the Preliminary Official Statement and the Official Statement; the fees of consultants, the rating agencies and the Verifier; the initial fee of the Trustee in connection with the issuance of the Bonds; and the fees and expenses of Bond Counsel, Disclosure Counsel, and counsel for the University, shall be paid out of funds made available by the University. All out-of-pocket expenses of the Underwriter (except for any expenses of the University advanced by the Underwriter for which the Underwriter will be reimbursed by the University), including advertising expenses in connection with the public offering of the Bonds, travel and other expenses, and the fees and expenses of any counsel employed by it, shall be paid by the Underwriter. To facilitate the Closing, the University hereby authorizes the Underwriter to (i) net from the Purchase Price of the Bonds the Underwriter's Fee and reduce the Purchase Price payable to the University by an equal amount.

ARTICLE V

GENERAL PROVISIONS

Section 5.1. Notices. Any notice or other communication to be given to the University under this Purchase Agreement may be given by delivering the same in writing to the University's address set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Barclays Capital Inc., 701 Fifth Avenue, Suite 7101, Seattle, Washington 98104.

Section 5.2. Entire Agreement. This Purchase Agreement, when executed by the University, shall constitute the entire agreement between the University and the Underwriter, and is made solely for the benefit of the University and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof.

Section 5.3. No Recourse. No recourse shall be had for any claim based on this Purchase Agreement, or any Resolution, certificate, document or instrument delivered pursuant hereto, against any member, officer or employee, past, present or future, of the University or of any successor body of the University.

Section 5.4. Execution in Counterparts. This Purchase Agreement may be executed in any number of counterparts, all of which, taken together, shall be one and the same instrument, and any parties hereto may execute this Purchase Agreement by signing any such counterpart.

Section 5.5. Severability. The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Agreement as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

Section 5.6. Waiver or Modification. No waiver or modification of any one or more of the terms and conditions of this Purchase Agreement shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

Section 5.7. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 5.8. Effective Date. This Purchase Agreement shall become effective upon its execution by the Underwriter and the acceptance and approval hereof by the University.

BARCLAYS CAPITAL INC.

By _____
Richard B. King,
Senior Vice President

ACCEPTED:

BOISE STATE UNIVERSITY

By _____
Stacy Pearson,
Vice President for Finance and
Administration

SCHEDULE I

\$_____ BOISE STATE UNIVERSITY
GENERAL REVENUE AND REFUNDING BONDS, SERIES 2009A

Interest on the Bonds is payable on October 1, 2009, and semiannually on each April 1 and October 1 thereafter. Principal on the Bonds is payable on the dates, and the Bonds will bear interest at the rates, set forth below:

APRIL 1 OF THE YEAR	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	PRICE
	\$			

[Optional Redemption. The Bonds maturing on or before April 1, 2019, shall not be subject to call or redemption prior to their stated dates of maturity. On or after April 1, 2019, at the election of the University, the Bonds maturing on or after April 1, 2020, shall be subject to redemption, in whole or in part, as selected by the University, at a price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.]

[*Mandatory Redemption.* The Bonds maturing on April 1, ____ shall be subject to redemption in part by operation of sinking fund installments, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the amounts as follows:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	\$

*

* Stated maturity.]

EXHIBIT A

OPINION OF DISCLOSURE COUNSEL

[TO BE DATE CLOSING DATE]

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: \$ _____
Boise State University
General Revenue and Refunding Bonds,
Series 2009A

Ladies and Gentlemen:

We have acted as disclosure counsel in connection with the purchase by Barclays Capital Inc. (the “*Underwriter*”) of \$ _____ aggregate principal amount of General Revenue and Refunding Bonds, Series 2009A (the “*Bonds*”) issued on this date by Boise State University (the “*University*”). The Bonds are being issued pursuant to the terms of the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a Supplemental Resolution adopted February 26, 2009 (the “*Supplemental Resolution*” and, collectively with the Master Resolution, the “*Resolution*”). Capitalized terms used herein without definition shall have the meanings specified in the Official Statement dated February 26, 2009, relating to the Bonds (the “*Official Statement*”).

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

We have rendered legal advice and assistance to the University as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the “*Rule*”), in connection with the preparation of its Continuing Disclosure Undertaking dated as of the date hereof (the “*Undertaking*”) for purposes of the Rule. Based upon our examination of the Undertaking, the Rule and such other documents and matters of law as we have considered necessary, we are of the opinion that, under existing law, the Undertaking complies in all material respects with the applicable requirements of the Rule; *provided, however*, no view is

expressed regarding the items comprising Annual Financial Information (as defined in the Undertaking).

We have rendered assistance to the University in connection with, and have participated in the preparation of, the Official Statement and certain other matters related to the subject financing. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects and a limited review of certain documents, opinions and certificates of officers of the University and other appropriate persons. We also participated in telephone conferences with your representatives and other persons involved in the preparation of information for the Official Statement, during which the contents of the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein. Moreover, many of the determinations required to be made in the preparation of the Official Statement involve matters of a non-legal nature. While we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement, based upon our limited review of documents and participation in conferences as aforesaid, without independent verification, no facts have come to our attention which lead us to believe that the Official Statement (apart from (i) the information relating to The Depository Trust Company and its book-entry only system and (ii) the financial statements or other financial, operating, statistical or accounting data contained therein, as to all of which we do not express any opinion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is solely for the benefit of the Underwriter. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

EXHIBIT B

OPINION OF COUNSEL TO BOISE STATE UNIVERSITY

[TO BE DATE CLOSING DATE]

Boise State University
1910 University Drive
Boise, Idaho 83725

Chapman and Cutler LLP
201 South Main Street, Suite 2000
Salt Lake City, Utah 84111

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: \$ _____
Boise State University
General Revenue and Refunding Bonds,
Series 2009A

Ladies and Gentlemen:

As counsel to Boise State University (the “*University*”), I have reviewed certain documents in connection with the issuance and sale by the University of the above-captioned bonds (the “*Bonds*”), including the Resolution Providing for the Issuance of General Revenue Bonds, adopted on September 17, 1992, by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented and amended by the Supplemental Resolution of the Board adopted February 26, 2009, authorizing the issuance and sale of the Bonds (the “*Supplemental Resolution*,” and, together with the Master Resolution, the “*Resolution*”); the Preliminary Official Statement dated February 11, 2009; the Official Statement dated February 26, 2009 (the “*Official Statement*”); the Escrow Agreement, dated March 19, 2009, between the University and U.S. Bank National Association, as escrow agent (the “*Escrow Agreement*”); the Bond Purchase Agreement, dated February 26, 2009, between the University and Barclays Capital Inc. (the “*Purchase Agreement*”); the Continuing Disclosure Undertaking with respect to the Bonds (the “*Continuing Disclosure Undertaking*”); and such other documents as I deemed necessary to render this opinion. Capitalized terms used but not defined in this opinion have the meanings

assigned to such terms in the Resolution. This opinion is rendered pursuant to the Purchase Agreement.

Based upon my examination, it is my opinion that:

1. The University is an institution of higher education and a body politic of the State of Idaho, duly and validly created and existing pursuant to the laws of the State of Idaho, with full legal right, power, and authority (i) to issue bonds of the University pursuant to the Resolution; (ii) to adopt the Resolution; (iii) to enter into the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Undertaking; (iv) to pledge the Pledged Revenues (as defined in the Resolution) to secure the payment of the principal of and interest on the Bonds; and (v) to carry out and consummate the transactions contemplated by the Resolution, the Purchase Agreement, and the Continuing Disclosure Undertaking.

2. The meeting of the Board on February 26, 2009, at which the Supplemental Resolution was duly adopted by the Board, was called and held pursuant to law, all public notices required by law were given, and the actions taken at the meeting, insofar as such actions relate to the Series 2009A Bonds, were legally and validly taken.

3. The adoption of the Resolution by the Board, the execution and delivery of the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Undertaking, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule, regulation, ordinance, judgment, order or decree to which the University or the Board is subject.

4. Based upon conferences with, and representations of officials of, the University, the statements in the Official Statement under the captions, "INTRODUCTION–Boise State University," "SECURITY FOR THE SERIES 2009A BONDS," "THE UNIVERSITY," and "LITIGATION," and in "APPENDIX B–SCHEDULE OF STUDENT FEES," are true and correct in all material respects and do not contain an untrue statement or omission of a material fact, it being understood that, in rendering this opinion, I am not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Official Statement.

5. Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending which (i) questions the existence or powers of the Board or the University or the title to office of any present official of the Board or the University; (ii) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the execution and delivery of the Purchase Agreement, the Escrow Agreement or the Continuing Disclosure Undertaking; (iii) affects the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the revenues and other funds and

accounts under the Resolution; (iv) contests the completeness or accuracy of the Official Statement; or (v) contests any authority for the issuance of the Bonds, and the adoption of the Resolution, or the execution and delivery of the Purchase Agreement, and the Continuing Disclosure Undertaking, or the validity of any proceedings taken by the University in connection with the issuance or sale of the Bonds.

Very truly yours,

Kevin D. Satterlee
University Counsel

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New Issue: **Boise State University, ID**

MOODY'S ASSIGNS AN A1 DEBT RATING TO BOISE STATE UNIVERSITY'S \$43 MILLION OF GENERAL REVENUE BONDS, SERIES 2009A; OUTLOOK IS STABLE

UNIVERSITY WILL HAVE \$225.3 MILLION OF RATED DEBT OUTSTANDING INCLUDING CURRENT OFFERING

Higher Education
ID

Moody's Rating

ISSUE	RATING
General Revenue Bonds, Series 2009A	A1
Sale Amount \$43,134,000	
Expected Sale Date 02/26/09	
Rating Description Public University Revenue Bonds	

Moody's Outlook Stable

Opinion

NEW YORK, Feb 10, 2009 -- Moody's Investors Service has assigned an A1 rating to Boise State University's (BSU) \$43 million of General Revenue Bonds, Series 2009A. At this time we are affirming the A1 rating on the University's outstanding debt (see RATED DEBT section below). The rating outlook is stable.

USE OF PROCEEDS: Bond proceeds will be used to finance the construction of a new research building, Center for Environmental Science and Economic Development (CESED); refund the Student Fee Revenue Bonds, Series 1998 and 2001; refund the Student Union & Housing Bonds, Series 1998; and pay the costs of issuance.

LEGAL SECURITY: The Series 2009 Bonds are secured by Pledged Revenues which include student charges, auxiliary revenues, indirect cost recovery, and other various revenue sources. State appropriations and other externally restricted funds are not included in the Pledged Revenues. For certain of these revenues, the lien is subordinate to other outstanding debt until that debt either matures or is retired. Based on the current refinancing and principal repayment, there should be no senior debt outstanding by April 1, 2009. Debt service covenant and additional bonds test to 1.1 times. There is no debt service reserve. In FY 2008, Pledged Revenues covered pro-forma maximum annual debt service by 5.4 times.

INTEREST RATE DERIVATIVES: None

STRENGTHS

* Sound fundamental market position as an urban university in a growing metropolitan area should lead to stable enrollment (full-time equivalent of nearly 14,000 students in fall 2008) and continued growth in student charges pledged to bondholders.

* History of consistently favorable operating performance despite volatile funding environment, with a three-year average operating margin of 5.0% (FY 2006-2008) and good average debt service coverage of 2.5 times over the same period. Healthy growth of tuition revenue, which has increased at an average rate of 7% over the past three years, has contributed to the University's decreasing dependence on state appropriations.

* Growth in financial resources, with expendable financial resources nearly doubling since FY 2004 (\$186.4 million in FY 2008). We anticipate that conservative budgeting, operating surpluses, and improved fundraising associated with the current campaign will help offset investment losses and lead to stable to modest resource growth over time. BSU is in the midst of its first capital campaign, having raised \$107 million against a \$175 million goal.

CHALLENGES

* Additional capital investment needed to support the University's strategic plan, including academic space and additional student housing which could further leverage the University's balance sheet and operations; however, the University is proceeding with caution in reaction to the current economic environment and to preserve its balance sheet strength. BSU plans to borrow an estimated \$36 million in the next three to five years for the construction of a College of Business building and is considering a variety of funding options for additional housing needs.

* Reliant on state appropriations for nearly 35% of operating revenues in FY 2008. While state appropriations have increased in recent years, due in large part to an equity funding adjustment, Idaho, like other states, is currently facing fiscal challenges stemming from the difficult economic environment which has resulted in a 4% holdback for FY 2009 and potentially a 10% reduction in funding in the near-term.

* Efforts to expand research activity could be hampered by slowing of growth rate in federal funding sources. BSU has a modest research profile with \$14.4 million of expenditures in FY 2008.

MARKET/COMPETITIVE POSITION: URBAN UNIVERSITY SERVING A GROWING METROPOLITAN AREA

Moody's anticipates continued solid student demand and stable enrollment based on Boise State University's niche as an urban university in a growing metropolitan area. BSU is the largest public institution of higher education in the state, with full-time equivalent enrollment reaching nearly 14,000 students in fall 2008. Student demand remains strong despite moderate declines in freshman applications which peaked in 2004 before the implementation of more stringent admissions requirements. Most recently, management attributes application declines to other in-state institutions offering expanded financial aid packages. Approximately 70% of freshman applicants are accepted, with an impressive yield of 67% of admitted students choosing to enroll. Matriculation rates have remained strong even as the University has expanded the geographic diversity of its applicant pool (out-of-state students represented 20% of the applicant pool in 2008 compared to 9% in 2004). Management attributes the increased geographic diversity of undergraduate and graduate applications in large part to the noteworthy success of the University's football team at the 2007 Fiesta Bowl.

The University had historically served as both a comprehensive urban four-year institution as well as the community college for the area. However, the State of Idaho created a new community college, the College of Western Idaho, which started offering classes in January 2009. In the summer of 2009 the University will transfer its applied technology program to CWI. Management reports that the creation of the College of Western Idaho and transfer of BSU programs will result in a reduction of up to 1,200 students in the near-term. However, the University anticipates that these enrollment losses will be mitigated by countercyclical enrollment trends at the University during periods of economic downturns. BSU estimates that the enrollment declines could result in a loss of tuition revenue up to \$3 million per year plus a \$7.5 million reduction per year in state appropriations associated with the transfer of the Seland College of Applied Technology. Management reports that despite the opening of CWI in January, spring 2009 FTE enrollment has increased. BSU notes that while headcount is relatively flat to the prior year, more students are shifting towards full-time programs. We will continue to monitor the impact of the College of Western Idaho on BSU's enrollment and operating performance.

The University remains committed to growing research programs, with its strategic plan calling for it to develop into an "Urban Metropolitan Research University of Distinction." While BSU's research base remains modest, with expenditures of \$14.4 million in FY 2008, the rate of growth has been impressive in the context of a constrained funding environment. The University's average annual rate of growth for research expenditures has been 11.6% over the past three years, while federal support for research has declined at an annual rate of 2.1% since 2003. Despite this growth, we still believe that it will be a challenge to raise the University's research profile in a continued environment of tight federal research funding. The University is in the midst of its first comprehensive campaign, with gifts targeted to provide funding for endowed faculty chairs and facilities that would support its vision.

OPERATING PERFORMANCE: HISTORY OF FAVORABLE OPERATING PERFORMANCE DESPITE VOLATILE STATE FUNDING ENVIRONMENT

We anticipate that the University will continue to produce favorable operating results due to a history of careful revenue and expense management during periods of volatile state funding. The University has averaged a 5.0% operating margin over the past three years (FY 2006-2008) resulting in an average of 2.5 times debt service coverage over the same period. In addition to reduced state support in the near-term, as mentioned earlier, BSU also will be managing the transfer of the Seland College of Applied Technology. BSU's ability to achieve sound operating performance despite constrained funding and reduced revenue associated with its associate degree and applied technology programs will be viewed as a critical credit factor.

Healthy growth of tuition revenue has contributed to the University's decreasing dependence on state appropriations which dropped to 35% in FY 2008 from 43% in FY 2002. Student generated charges, including tuition and auxiliary revenues, comprised 45% of Moody's adjusted operating revenue in FY 2008.

While net tuition per student has grown at a healthy rate, averaging over 7% for the past three years, BSU's net tuition per student of \$5,567 in FY 2008 remains below the median for A1 rated institutions (\$6,430 based on FY 2007). Management anticipates more modest rates of increase in tuition in the near term to maintain affordable access to higher education.

Boise State University continues to be moderately reliant on state appropriations, which comprised nearly 35% of operating revenues in FY 2008. While state appropriations have increased in recent years, in large part due to an equity adjustment implemented in FY 2006, Idaho, like other states, is currently facing fiscal challenges stemming from the difficult economic environment. In FY 2009, the Governor ordered two holdbacks in appropriations to the University totaling \$3.5 million, or 4% of the original appropriations. In addition, the University has a 2% holdback reserve (\$1.75 million) in preparation for potential additional FY 2009 cuts. The Governor has proposed nearly a 10% reduction in base funding for FY 2010. We expect that budgetary pressures for the State will result in reduced operating support in the near-term.

The Aa2 issuer rating on the State of Idaho reflects a solid financial position, low but rising debt levels, relatively diverse economy, and low wealth levels. Idaho's economy has diversified in recent years, benefiting from strong population growth. Population growth has consistently outpaced the nation; Idaho experienced 2.4% growth vs. 0.9% growth for the U.S. in 2007. As a result, the state has seen particular growth in the technology sector, including both manufacturing and tech related services. Despite diversification, an above average dependence on the natural resource sector remains, particularly outside of the Boise area. The state's conservative debt policies have led to modest state debt levels, falling well below national medians. Offsetting these strengths are volatile individual and corporate tax receipts and lack of certain fiscal planning tools common among highly rated states. For more information, please see Moody's report dated June 13, 2008.

BALANCE SHEET POSITION: IMPROVING BUT MODEST FINANCIAL RESOURCES; POTENTIAL INCREASE IN LEVERAGE TO ADDRESS CAPITAL NEEDS

Moody's believes that BSU's financial resources provide a modest cushion for debt and operations and that given the rapid growth in resources in recent years as well as future planned borrowing, the University could become increasingly leveraged for its rating category. The University has strengthened its financial resource base in recent years, nearly doubling expendable financial resources between FY 2004 and FY 2008. We believe that BSU's conservative budgeting, operating surpluses, and improved fundraising associated with the current campaign will help mitigate investment losses and contribute to stable to modest growth in resources. Despite resource growth, BSU remains leveraged from a balance sheet and operating perspective with expendable resources covering \$242.5 million of pro-forma debt (including the current borrowing and \$5.1 million of debt issued by the Foundation in FY 2009) 0.8 times and pro-forma debt to revenues of 0.9 times.

Moody's expects that BSU will remain highly leveraged in the near-term due to the University's investment in academic and auxiliary facilities for its growing student population and the relative paucity of State funds to support capital projects. Beyond the current issue, the University has identified \$36 million of additional borrowing plans within the next three to five years. Future capital projects include the College of Economics and Business building (with a \$12.5 million donation from the Micron Foundation to be matched by \$5 million in gifts) and additional student housing. The University is considering a ground lease to a private developer in connection with the construction of housing facilities for approximately 1,200 beds. Management reports that the University is still evaluating the terms and timing of this project. Management is proceeding with caution in reaction to the current economic environment and to preserve its balance sheet strength. Moody's will continue to monitor this project and any potential impact it could have on BSU's overall credit quality. Future capital projects will be used to enhance academic programs as well as student life on campus, thereby strengthening BSU's long-term market position. The University's ability to absorb any additional borrowing will be contingent on growth in liquidity, sustained strong operating performance, and continued stable enrollment.

The University is in the midst of its first comprehensive campaign, having raised \$107 million towards the \$175 million goal with a closing date of June 2011. Campaign proceeds will help support the University strategic academic and capital initiatives, with a majority of the proceeds to increase the endowment and roughly \$70 million for capital projects.

BSU's endowment is primarily invested with its Foundation, which had a -0.9% investment return for FY 2008. Since June 30, 2008, the endowment returned -31.3% (as of 12/31/08). The Foundation's investment allocation as of December 31, 2008 was as follows: 25% domestic equities, 35% international equities, 10% fixed income, 15% real assets, 10% hedge funds, and 6% private equity. Moody's includes the Foundation's balance sheet in the University's financial resource calculation. Adjusted for an estimated 20% loss since the end of FY 2008, expendable financial resources would be \$149.1 million and would cover pro-forma debt and operations by 0.6 times. (Moody's has used a lower percentage decline in expendable financial resources due to the large proportion of resources held by the University and invested in highly liquid investments that have not generated substantial losses).

Outlook

The stable outlook reflects our expectation that BSU will maintain strong student demand which will enable it to continue to grow tuition revenue, leading to solidly positive operating performance and a stable financial resource base. The outlook also incorporates manageable borrowing plans.

What could change the rating-UP

Material growth in financial resources to provide a substantially stronger cushion for debt, increased philanthropic support to both build the endowment and to finance strategic capital and academic initiatives, and continued favorable operating performance

What could change the rating-DOWN

Significant deterioration of balance sheet cushion either through borrowing beyond current expectations or larger than expected investment losses, sustained deterioration of student market position contributing to operating deficits and weak debt service coverage

KEY INDICATORS (Fiscal year 2008 financial data; fall 2008 enrollment data):

* Ratios in parentheses represent a pro-forma 20% decline in financial resources reflecting the weak investment environment and expected investment returns since the June 30, 2008. Moody's has used a lower percentage decline in expendable financial resources due to the large proportion of resources held by the University and invested in highly liquid investments that have not generated substantial losses.

Total Enrollment: 13,914 full-time equivalent students

Total Pro Forma Direct Debt: \$242.5 million, including debt of affiliated foundation

Expendable Financial Resources: \$186.4 million (\$149.1 million)

Expendable Financial Resources to Direct Debt: 0.8 times (0.6 times)

Expendable Financial Resources to Operations: 0.7 times (0.6 times)

Three-Year Average Operating Margin: 5.0%

Reliance on state funding (% of Operating Revenue): 34.6%

State of Idaho: Aa2 Issuer Level Rating, Stable Outlook

RATED DEBT:

General Revenue Bonds: Series 2004A: A1; FGIC insured (FGIC's current financial strength rating is Caa1 with a negative outlook)

General Revenue Bonds: Series 2005A, 2007A, 2007B, 2007C: A1; MBIA insured (MBIA's current financial strength rating is Baa1 with a developing outlook)

Student Union and Housing System Bonds: Series 2002: A1; FGIC insured (FGIC's current financial strength rating is Caa1 with a negative outlook)

Student Union and Housing System Bonds: Series 2003: A1; Ambac insured (Ambac's current financial strength rating is Baa1 with a developing outlook)

Student Union and Housing System Bonds: Series 1996, 1998 (1998 to be refunded with the current borrowing): A1; FSA insured (FSA's current financial strength rating is Aa3 with a developing outlook)

Student Building Fee Bonds: Series 1998, 2001 (both series to be refunded with the current borrowing): A1; FSA insured (FSA's current financial strength rating is Aa3 with a developing outlook)

CONTACTS:

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Underwriter: Richard King, Barclay's Capital, 206-344-5838

The principal methodology used in rating Boise State University was Moody's Public College and University Rating Methodology, which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Credit Policy & Methodologies directory.

The last rating action was on February 14, 2007, when Boise State University's rating and outlook were affirmed.

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**STANDARD
& POOR'S**

RATINGSDIRECT®

Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees

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Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees

Credit Profile		
US\$43.124 mil General rev bnds ser 2009A due 03/31/2039		
Long Term Rating	A+/Stable	New
Boise St Univ Std University Fee & Housing Sys Ser 1997, 1998, 1999		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'A+' rating to Boise State University (BSU), Idaho's \$43.1 million general revenue bonds, series 2009A, and affirmed its 'A+' rating and underlying rating (SPUR) on BSU's outstanding debt, reflecting the university's:

- Funding support from Idaho ('AA/Positive' issuer credit rating);
- History of balanced financial operations on a full accrual basis;
- Long-term growth in student enrollment;
- Limited competition in the region; and
- Wide array of program offerings.

Offsetting factors include future debt plans and expected financial stress attributed to constrained state funding.

Bond proceeds will be used primarily to construct a new research building (\$30 million). Additionally, proceeds will refund three series of bonds (\$12 million). The bonds are secured by pledged revenues, which include all revenues of the university, excluding a portion of revenues pledged to the student building fee bonds (which have a closed lien), state appropriations, and restricted gifts and grants. Pledged revenues will expand to include all other university revenues when the student building fee bonds are retired this year (2009). The university instituted a Strategic Facility Fee in fall 2006 to fund construction related to its master plan. Initially set at \$25, the fee is now \$210 in fiscal 2009. Due to the large scope of pledged revenues, Standard & Poor's views this as an unlimited student fee obligation. There is no debt service reserve fund.

Upon issuance of the series 2009A bonds, debt will increase to approximately \$242 million (including senior debt of \$7.5 million, subordinated debt of \$3.3 million, \$3.8 million of capital leases, and a \$2.1 million bank line), producing an above-average, but manageable, debt burden (pro forma maximum debt service as a percentage of operating expenses) of 6%. This debt and parity debt are rated the same as the senior debt (due to be repaid by April 2009) due to the comprehensive pledge. Standard & Poor's does not rate the subordinate debt. All debt is fixed, and BSU has no swap contracts. Other postretirement employee benefit obligations in fiscal 2008 were \$3.6 million. Management reports that the university has scaled back its building plans. In the long term, though, the university may issue up to \$36 million for a business school, possibly within the next five years. Additionally, the university may build a large residence hall through a public private partnership.

*Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees***Outlook**

The stable outlook reflects our expectation that enrollment will be relatively stable, financial operations will remain balanced, and fundraising will continue to progress. Additionally, we expect that the university will be able to manage through a period of expected constrained state funding. We anticipate that future debt will continue to have dedicated associated revenue streams and/or there will be a commensurate increase in resources.

History

Founded in 1932 as a junior college district, today BSU has the largest student enrollment of any postsecondary institution in Idaho. The university offers 73 master's degrees and four doctoral degrees through the following colleges: Arts and Sciences, Business and Economics, Education, Health Sciences, Engineering, Social Sciences and Public Affairs, and the Graduate Studies. The university's applied-technology programs are in the process of being transferred to a new community college, the College of Western Idaho, that opened its doors in January 2009.

Demand

In fall 2008, total enrollment at BSU peaked at 19,667, reflecting more than a 6% increase over the previous year. Based in part on demographic trends, BSU expects growth in the next six years; however, it expects the growth rate to moderate somewhat, due largely to more rigorous requirements for admittance. Full-time-equivalent enrollment in fall 2008 is 14,608. The majority of students are undergraduates, although graduate students are increasing. Student quality, as measured by the ACT score, is about 22 (above the U.S. average of 21). The majority (90%) of students are Idaho residents. By 2011, university officials expect that 10% of students will live on campus. Occupancy rates are 99% for residence halls and 99% for apartments.

First-year applications in fall 2008 dropped to 4,801, a 6% decrease from the previous year, due in part to more stringent admission requirements. Moreover, some self-selectivity is also at play since the matriculation rate spiked to about 74% in falls 2006 and 2007 after averaging 59% the previous five years. The matriculation rate seems to have settled at 69% in fall 2008. New enrollment management leadership was put in place in 2007.

Finances

BSU's revenue base is fairly diverse, with BSU receiving among the largest portions of state appropriation funding allocated to public institutions in the state. This appropriation is BSU's largest revenue source and in fiscal 2008 accounted for about a third of total revenues, followed by net student fees (26%), auxiliary income (15%), and grants and contracts (11%). BSU continues to receive increases in appropriations from Idaho: 8.9% for fiscal 2009 and 6.8% in fiscal 2008. However, the state has held back \$3.5 million (4%) in fiscal 2009, making the net increase 4.9%. Management reports that the university's appropriation for the next few years may decrease by 10% (including the current holdback of 4%) due to the state's smaller revenues. Tuition is a reasonable \$4,632 per year for a student from Idaho, an increase of 5% from the previous year. The university board has gained some flexibility in fee- and tuition-setting from the state legislature.

Fiscal 2008 continued the university's trend of operating surpluses, with an adjusted operating surplus of about \$10

Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees

million due in part to increased enrollments and a rise in tuition, as well as higher state operating appropriations. Net assets increased \$12 million in 2008 based on a revenue base of approximately \$268 million, of which \$165 million was operating revenues and the balance non-operating revenues – predominantly state appropriations.

Financial resource ratios are low, but growing, for the rating category, with adjusted unrestricted net assets, as of June 30, 2008, of \$93 million, or 32% of operating expenses and 35% of post-issuance debt. At fiscal year-end, the university's foundation had total net assets of \$129 million, of which approximately \$7.7 million was unrestricted and is included in the above ratios. As of Dec. 31, 2008, the foundation's assets were \$115 million. The foundation's funds are invested in 31% international equities, 23% domestic equities, 15% real assets, 15% fixed-income, and the balance in hedge funds and private equity. The university is in its second year of its first comprehensive capital campaign, the proceeds of which will be used for capital projects, endowed professorships, scholarships, and to assist in the funding of graduate students. To date \$107 million has been raised against a goal of \$175 million.

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Ratings Detail (As Of February 11, 2009)		
Boise St Univ gen rev bnds ser 2004A (MBIA)		
<i>Unenhanced Rating</i>	A+(S+UR)/Stable	Affirmed
Boise St Univ gen rev ser 2005A, 2007A, 2007B, 2007C (MBIA)		
<i>Unenhanced Rating</i>	A+(S+UR)/Stable	Affirmed
Boise St Univ stud fee rev bnds ser 2001 (FSA)		
<i>Unenhanced Rating</i>	A+(S+UR)/Stable	Affirmed
Boise St Univ stud union & hsg sys rfdg rev bnds ser 2003 dtc 02/06/2003 due 04/01/2004-2017		
<i>Unenhanced Rating</i>	A+(S+UR)/Stable	Affirmed
Boise St Univ Gen Rev bnds ser 2007A		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Boise St Univ Std University Fee & Housing Sys ser 2002 (MEIA)		
<i>Unenhanced Rating</i>	A+(S+UR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

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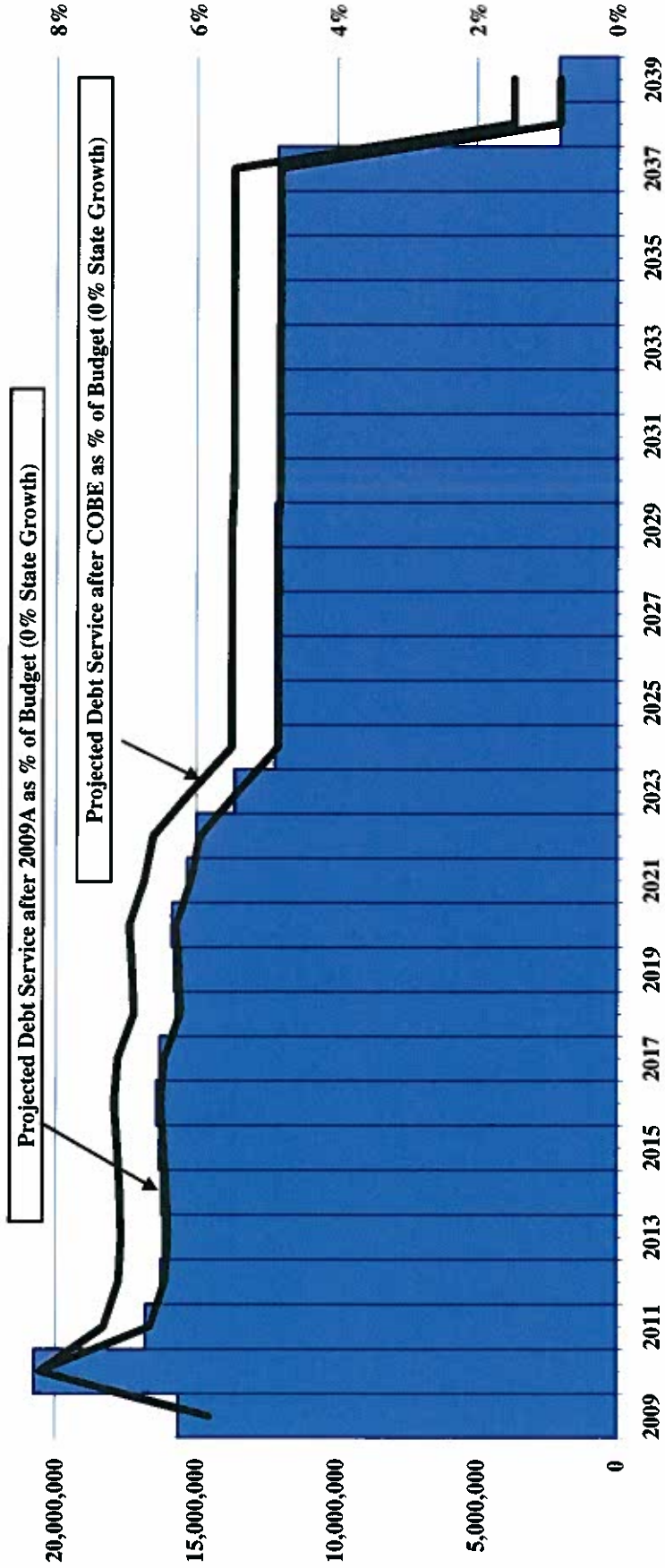
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Boise State University Existing Debt Service to Budget post Series 2009A Issuance

Boise State University
Debt Service to Operating Budget
February 2009



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BAHR - SECTION II

As presented in June, 2006, a ratio of 10% would significantly hinder access to capital in the bond markets.

Assumptions:

1. 0% growth in enrollment, with 4% loss in student fees due to transfer of Sellaand College to CVM in FY2010
2. 6% Holdback in FY2009 and 10% decrease in base appropriation in FY2010, 0% growth in ongoing state support, and loss of Sellaand College appropriation
3. Drop in gifts and auxiliary revenues of 5%
4. New housing will be done through a public/private partnership that will not impact balance sheet or credit of the University.
5. No new source of state funding for academic buildings
6. The ratio increase in 2010 is the result of the \$3,325,000 private note balloon payment for East Junior High.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

BOISE STATE UNIVERSITY

SUBJECT

Request to purchase furnishings, fixtures and equipment (FF&E) for Norco Building: Department of Nursing, University Health Services

REFERENCE

January 2004	Board approved 2004-2005 student fees, including a \$40/semester facility fee
April 2004	Board approved request to proceed with the RFP process planning and design of the Health, Wellness and Counseling Services Center project
June 2004	Board approved request to proceed with programming and design for Health, Wellness and Counseling Services Center project
November 2005	Interim Executive Director of the Board approved a \$495,000 increase to the project budget to add design and materials to meet higher energy efficiency standards
June 2006	Capital projects update included discussion that the Student Health, Wellness and Counseling Services project was delayed to add space for nursing education to be funded from private gifts and other sources
November 2006	Board approved request to proceed with construction at a total project cost not to exceed \$25,000,000, pending final approval of financing
January 2007 construction	Board approved request to issue bond debt to finance
December 2007	Board approved request to name facility the Norco Building: Department of Nursing, University Health Services

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

In November 2006, the Board approved Boise State University's request to proceed with construction of the Student Health, Wellness and Counseling Services Center, thereafter named the Norco Building: Department of Nursing, University Health Services. Construction is underway and is expected to be complete in July and the building operational for the fall 2009 semester. The University now seeks approval to contract for the purchase and installation of

**BUSINESS AFFAIRS AND HUMAN RESOURCES
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FF&E for the facility at a cost not to exceed \$2,220,000. The FF&E are categorized as follows: 1) standard furnishings for office and classroom space, 2) medical and specialized clinical equipment, and 3) specialized equipment for Nursing Simulation Labs. The State of Idaho, Department of Purchasing, will conduct the formal solicitation process for Boise State University for the furniture, medical and clinical equipment. Multiple contracts may be awarded based upon the proposals received. The source of funds is a combination of gift funds and bond reserves; no appropriated funds will be used.

IMPACT

The estimated \$2,220,000 purchase and installation costs for FF&E were included in the \$25,000,000 construction budget approved by the Board in November 2006. However, that request and approval was limited to construction; at this time the University seeks approval to procure the FF&E already budgeted in the previously approved request.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD MOTION

Motion to authorize Boise State University to enter into a contract(s) to purchase and install the furnishings, fixtures and equipment for the Norco Building: Department of Nursing, University Health Services at a cost not to exceed \$2,220,000.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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IDAHO STATE UNIVERSITY

SUBJECT

Approval to renew the contract between Idaho State University (ISU) and Follett Higher Education for outsource management of the bookstore

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.6.b.

BACKGROUND/DISCUSSION

In March, 1999, ISU issued a request for proposal (RFP) to outsource the management of its bookstore. Following the review of the RFPs received, ISU accepted and selected the RFP submitted by Follett Higher Education Group.

A contract with Follett was signed on July 11, 1999, for a period of five (5) years, ending July 8, 2004, with the option to renew on a year-to-year basis thereafter, or the time interval equal to the original contract period. In 2004, the contract was renewed for one year. In 2005, the contract was renewed for four (4) years, July 1, 2005 through June 30, 2009

DISCUSSION

Pursuant to the Bookstore Operating Agreement dated July 1, 2005, between ISU and Follett Higher Education Group, Item 2 states: "Term. This Agreement takes effect July 1, 2005, and continues, unless sooner terminated in accordance with Section 3, until June 30, 2009. Thereafter, the term may be extended for an additional 3 years by mutual agreement upon approval by the State Board of Education. The option must be exercised by written notice at least one hundred twenty (120) days prior to the expiration date."

It is the desire of Idaho State University and Follett Higher Education Group to renew the current contract for three (3) years, beginning July 1, 2009 and ending June 30, 2012. All other terms and conditions of the existing agreement will remain in force.

ATTACHMENTS

Attachment 1	Letter to Follett Higher Education Group	Page 3
Attachment 2	Letter to ISU from Follett	Page 4
Attachment 3	Current Operating Agreement	Page 5

IMPACT

Renewal of this contract is vital in order to provide continued consistent and stable retail services to students and faculty, as well providing a predictable financial return from the bookstore operation.

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STAFF COMMENTS AND RECOMMENDATIONS

Textbook scholarships increased from \$5,000 per year to \$7,500 per year in 2005. Gross sales have only increased 4.72 percent in the interim and flat thus far in FY09. Due to the current economy and small increases in enrollment, the University has determined not to increase textbook scholarships at this time.

According to the University, the industry standard prices under item 9.1 of the current contract have not changed in the past four years.

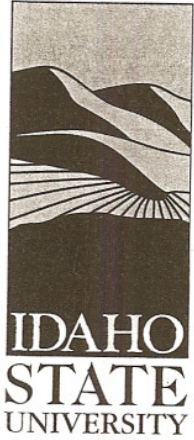
Finally, the University believes it is receiving a fair commission rate for the amount of gross sales.

Staff recommends approval.

BOARD ACTION

A motion to approve the request by Idaho State University to proceed with the contract renewal with Follett Higher Education Group to manage its bookstore for a period of three (3) years, beginning July 1, 2009, ending June 30, 2012.

Moved by _____ Seconded by _____ Carried Yes ____ No ____



Office of Finance
and Administration
921 South 8th Avenue,
Stop 8219
Pocatello, Idaho
83209-8219

January 8, 2009

Attachment 1

Mr. Bruce Snyder
Vice President of Marketing
Follett Higher Education Group
1818 Swift Drive
Oak Brook, Illinois 60523-1576

Dear Mr. Snyder:

Pursuant to the Bookstore Operating Agreement dated July 1, 2005 between Idaho State University and Follett Higher Education Group, Inc., item 2 states: "Term. This Agreement takes effect July 1, 2005, and continues, unless sooner terminated in accordance with Section 3, until June 30, 2009. Thereafter, the term may be extended for an additional 3 years by mutual agreement upon approval by the Idaho State Board of Education." The option must be exercised by written notice at least one hundred twenty (120) days prior to the expiration date.

It is the desire of Idaho State University to exercise the option to extend the term an additional three years.

Please respond by February 10, 2009 so the Bookstore Operating Agreement can be placed on the April agenda of the State Board of Education.

We look forward to our continued partnership with Follett Higher Education Group.

Sincerely,

Phil Blick
Assistant Vice President for Finance and Administration

Phone: (208) 282-2404
Fax: (208) 282-4725

ISU Is An Equal Opportunity Employer

January 13, 2009

Mr. Philip E. Blick
Assistant Vice President of Financial Services
Idaho State University
921 South 8th Avenue
Stop 8219
Pocatello, Idaho 83209-8219

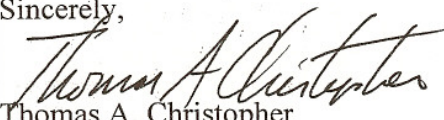
Dear Mr. Blick:

Thank you for your letter of January 8, 2009. This letter is to inform you that the Follett Higher Education Group wishes to renew the contract we have with Idaho State University for management of the bookstore. The new contract period begins July 1, 2009 and ends on June 30, 2012. All other terms and conditions of the existing agreement will remain in force.

If this meets with your approval, please sign both copies of this letter and return one to us for our files, to the attention of Kathy Donato, at the address below.

We look forward to continuing a beneficial relationship.

Sincerely,


Thomas A. Christopher
President

TAC/kd

c: B. Snyder
M. Perry
B. Scholl
J. Zalewski
B. Smith
M. Seaman

IDAHO STATE UNIVERSITY

DATE

**BOOKSTORE OPERATING AGREEMENT BETWEEN
IDAHO STATE UNIVERSITY
AND FOLLETT HIGHER EDUCATION GROUP, INC.**

This Bookstore Operating Agreement ("Agreement") is effective as of July 1, 2005 between Idaho State University ("University") and Follett Higher Education Group, Inc. ("Follett").

Intending to be legally bound, University and Follett agree:

1. **Store.** Subject to all the terms and conditions in this Agreement, Follett shall operate a bookstore ("Store") and provide Athletic Merchandising Concession Services for University.
2. **Term.** This Agreement takes effect July 1, 2005, and continues, unless sooner terminated in accordance with Section 3, until June 30, 2009. Thereafter, the term may be extended for an additional 3 years by mutual agreement upon approval by the Idaho State Board of Education. The option must be exercised by written notice at least one hundred twenty (120) days prior to the expiration date.
3. **Early Termination.**
 - 3.1 Either party may terminate this Agreement with or without cause by giving the other party at least 120 days prior written notice of termination.
 - 3.2 Either party may terminate this Agreement upon 90 days prior written notice for material nonperformance by the other party, documented, in case of nonperformance by Follett, in accordance with Section 7.4.
 - 3.3 University may terminate this Agreement immediately if Follett initiates any bankruptcy proceeding, or if any such proceeding initiated against Follett remains undismissed for 60 days.
4. **Rights Upon Termination, Expiration or Non-Renewal.**
 - 4.1 Termination, expiration or non-renewal of this Agreement shall not affect any right of either party accrued prior to such termination, expiration or non-renewal.
 - 4.2 On any termination, expiration or non-renewal of this Agreement, University shall pay Follett the unamortized book value (calculated on the straight-line method from the in-service date[s] over the greater of 8 years or until expiration of this Agreement) of all future Store Remodeling (as defined in Section 5) paid by Follett.

Attachment 3

- 4.3 On any termination, expiration or non-renewal of this Agreement, University shall purchase, or cause to be purchased, the Store inventory then on hand under the following terms:

"Store Merchandise" will include all salable merchandise in the Store, including new textbooks, used textbooks, trade, reference and technical books, general merchandise, and any verified, usable credits with publishers or vendors. University shall cause all such merchandise to be inventoried by an independent firm. Each party may observe the inventory if desired. Payment to Follett for Store Merchandise shall be made or caused to be made by University within 30 days after the completion of the inventory as follows:

- a) New Textbooks
 1. New textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at standard industry discounts or cost.
 2. New textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at the current wholesale price.
- b) Used Textbooks
 1. Used textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at 50% of the current retail selling price.
 2. Used textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at current wholesale price.
- c) Trade, Reference and Technical Books ("Trade Books")
 1. Trade Books that have been purchased during the past academic year and are returnable to the publisher will be purchased at standard industry discounts or cost.
 2. Trade Books not meeting these requirements will be purchased at a price agreeable to University and Follett.
- d) General Merchandise
 1. General merchandise traditionally sold in college bookstores, purchased in the past academic year, in salable condition, and not in excessive quantities, will be purchased at standard industry discounts or cost.
 2. General merchandise not meeting these requirements will be purchased at a price agreeable to University and Follett.

5. **Store Remodeling.**

- 5.1 Follett shall spend up to a total of **\$40,000** to create a functional and efficient retail space at the Idaho State University Rendezvous Complex Spirit Shop. This expenditure may include furniture, trade fixtures, and equipment, including point-of-sale equipment, that is readily removable ("Capital Equipment") and Follett and third-party design and project management services, third-party architectural and engineering services, cabling and infrastructure, build-out, floor and wall coverings, decorating, lighting, and fixtures that

are not readily removable. Capital Equipment and Store Remodeling each include all replacements, additions and extensions paid for by Follett, whenever installed. The Capital Equipment and Store Remodeling together comprise the "Store Improvements."

- a) University will provide the new retail space consisting of approximately 1000 square feet in retail-ready condition including partition construction, taping and sanding, electrical service, plumbing service, HVAC system, finished ceiling and ceiling fluorescent lighting, offices, storage, computer and telephone wiring and a smooth finished floor, all to meet ADA and other applicable codes, laws and regulations and in accordance with Follett Higher Education Group's Design Intent documents.
- 5.2 Follett shall prepare complete plans and specifications for any future Store Remodeling for review and approval by University, and shall work closely with University to develop mutually acceptable plans ("Plans").
- 5.3 When University has given final approval to the Plans, Follett shall submit an installation and/or construction schedule to University for approval. University shall review and comment on the Plans and schedule in a reasonable time frame to allow the project completion date to be met.
- 5.4 Any physical changes to the Store space shall meet or exceed the requirements of the Americans with Disabilities Act ("ADA") and all other applicable codes, laws and regulations, and shall be in accordance with Follett's Design Intent documents.
- 5.5 All capital equipment purchased by Follett and not attached as a fixture to real estate will remain the property of Follett.

6. **General Rights and Responsibilities of Follett.**

- 6.1 Follett shall operate the Store in accordance with the highest standards and commercial practices in the college bookstore industry.
- 6.2 Follett shall operate the Store 12 months per year. The name of the Store shall not change. The Store's normal hours of operation and holiday closing schedule shall be as approved in writing by University after consultation with Follett; hours of operation during registration periods, the first two weeks of classes, and all special campus events, shall be extended to coincide with demand.
- 6.3 Follett shall have the exclusive right, free from any alternate source endorsed, licensed or otherwise approved or supported by University (whether on campus, by catalog or through electronic commerce, including hyperlinks to alternate sources) to buy, sell, and distribute (including the right to select vendors) merchandise and services traditionally offered in college and university bookstores, including but not limited to: textbooks, class and alumni rings and jewelry, clothing (whether or not emblematic), University supplies, desk and dorm accessories, gifts, souvenirs, graduation regalia (sale and rental) and announcements, course-adopted software and paper and electronic custom anthologies, and textbook buybacks. This Section 6.3 does not prohibit occasional sales by student

Attachment 3

groups or student government organizations that do not materially impact Store sales and shall not apply to official Nike team and sideline apparel sold on the Athletic Department website provided the number of items is limited by mutual agreement and no third party marketing or promotion is associated with such sales.

- 6.4 University grants Follett the right, subject to University's published standards, to use the University's seal, logotype, and associated trademarks and service marks on the Store's Internet site, signage and collateral materials, and stationery, soft goods, notebooks, pens, pencils, decals and other goods traditionally sold in college and university bookstores. University will not grant such right to any other online or brick-and-mortar retail bookseller during the term of this Agreement. If University changes its name, seal, or logotype with less than one year written notice to Follett prior to notice to the public, Follett may deduct from any commissions otherwise payable to University Follett's actual documented cost of all unsold emblematic merchandise on hand at the time of such change. Exclusive use of the University's marks is not reserved for Follett, but is governed by the University's agreement with the Collegiate Licensing Company.
- 6.5 In order to secure property in the Store, Follett shall cooperate with University in providing Store security, theft prevention, and emergency procedures in case of fire or casualty. In cooperation with University Security, Follett shall create and maintain a Store security plan acceptable to University for textbook buyback, rush and other special events.
- 6.6 Follett shall not cause University's students, faculty, or staff suspected of theft or disturbance to be arrested by public authorities (except in emergencies) or prosecuted without prior consultation with University.
- 6.7 In its operation of the Store, Follett shall pay its bona fide financial obligations to University and to third parties in a timely manner.
- 6.8 Follett shall collect and pay any sales tax or similar tax on its retail sales, and applicable income taxes on its revenues. Follett shall not be responsible for property taxes on the Store facility or any other taxes not currently assessed.
- 6.9 Follett shall obtain and maintain at its sole expense, and in its name, all necessary licenses and permits required to perform the services described herein.
- 6.10 Follett shall abide, and require its employees to abide, by applicable University regulations and policies. University shall provide Follett with copies of applicable policies, and timely inform Follett of any changes.
- 6.11 Follett shall abide by all federal, state and local laws applicable to its operation.
- 6.12 In performing this Agreement, Follett shall not discriminate based on sex, race, national origin, religion, color, sexual orientation, veteran status, disabled veteran status, age or disability protected under the ADA.

Attachment 3

- 6.13 Follett shall be responsible for any loss or damage to property owned by University that is in Follett's possession or control or is caused by Follett or its employees or agents in the course and scope of their employment.
- 6.14 Follett will make its corporate representatives reasonably available to University to discuss and resolve any operational issues.
- 6.15 Follett shall be responsible for daily cleaning of the Store interior, including provision of basic janitorial equipment and supplies, sweeping, dusting, and removal of light trash to University-provided receptacles.
- 6.16 Follett will offer University faculty and staff a 10% discount on all purchases over \$1.00, excluding textbooks, sale merchandise and academically discounted software. Follett will offer all University departments a 20% discount on purchases of supplies over \$1.00, excluding textbooks, sale merchandise and academically discounted software.
- 6.17 Follett will provide \$7,500 annually in textbook scholarships during the term of this Agreement.

7. General Rights and Responsibilities of University.

- 7.1 University will provide and maintain an appropriate, safe and habitable location, in accordance with all applicable laws and regulations, in retail-ready condition, for the Store Improvements and ongoing Store operations. Except for the Store Remodeling provided by Follett in accordance with Section 5, University shall be responsible for furnishing appropriate decorating, fixtures, equipment, shelving, lighting, flooring, plumbing, power and HVAC. University shall also keep the building in which the Store is located in compliance with all fire, building and electrical codes and regulations, including regulations governing fire alarms, smoke detectors, fire extinguishers, fire suppression and sprinkler systems, water pressure, plumbing and electrical service. University shall be responsible for any loss resulting from failure of the building to meet applicable building codes and regulations. If the University relocates all or any part of the Store operations, University will provide Follett with at least 90 days advance notice of the relocation and will reimburse Follett, within 30 days after Follett's invoice, for Follett's cost of the relocation.
- 7.2 University will name a representative authorized to advise Follett of University's approvals, consents and instructions under this Agreement.
- 7.3 University may prohibit sale at the Store of any item it finds offensive or inappropriate.
- 7.4 If at any time University is dissatisfied with Follett's performance under this Agreement, University shall document the unsatisfactory performance and submit the documentation to Follett for immediate review and corrective action. University may require a review meeting to prepare the corrective action.

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7.5 Except as specified below, University shall provide the following services to the Store in accordance with University's building standards at no cost to Follett:

- a) Security of persons and property in the same manner provided for other University premises;
- b) Internal and external building maintenance, including, but not limited to: plumbing, electric, light bulbs, HVAC and other mechanical systems, fire protection, roof membrane and structure, floors, walls, ceilings, windows and doors.
- c) Pest control services on the regular University schedule;
- d) Lost and found service as regularly provided by University;
- e) Parking for Follett's employees in common with other authorized parkers in a location approved and provided by University (Follett's employees must abide by all applicable parking regulations and pay the usual parking permit fee);
- f) Participation in any debit or credit card, voucher program, or other payment or financial aid service now or hereafter made available by University to its students or to local merchants;
- g) Local telephone/data service including all equipment and lines at the same monthly line and equipment rates as billed to University and toll charges to be charged to Follett at the same rate charged to University's departments;
- h) Reasonable access to University's telecommunications and network systems as required to install, at Follett's sole expense, T1 lines and associated connectivity for Follett's point-of-sale systems; and
- i) Building standard utilities.

7.6 University will make reasonable efforts to require its faculty and staff to provide Follett with timely and accurate textbook adoption information.

7.7 Follett will extend credit to University for financial aid and departmental charge accounts.

8. Bookstore Personnel.

8.1 Follett will furnish sufficient adequately trained personnel to provide efficient and courteous service to customers, including sufficient substitute personnel in case of employee absence. In addition, Follett will provide ongoing training in customer service and will formally recognize and reward employees who provide superior customer service.

8.2 University may participate in interviewing and evaluation of Follett's Store Manager should the need arise to fill the position. Follett's selection of the Store Manager is subject to University's approval.

9. Bookstore Sales.

9.1 In operating the Store, Follett will charge industry standard, competitive and fair prices, as follows:

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- a) On new textbooks and trade books, not more than the publishers' list price, or a 25% gross margin (cost divided by .75, inclusive of restocking fees and return penalties) on net price books and list price books sold to Follett at less than a 25% discount off list (inclusive of restocking fees and return penalties), plus a freight pass-through.
 - b) On e-books, e-coursepacks, coursepacks, text "packages," "kits," "sets," and "bundles," and non-returnable and return-restricted texts, not more than a 30% gross margin (cost divided by .70, inclusive of restocking fees and return penalties), plus a freight pass-through.
 - c) On used books, including cloth, paperback and others, not more than 75% of the new textbook selling prices.
 - d) On general merchandise, not more than the normal gross profit margin for similar merchandise in the college bookstore industry.
- 9.2 Follett will expeditiously process text requests placed after the adoption deadline.
- 9.3 Follett shall purchase used textbooks year round. Follett shall purchase used textbooks adopted for the next academic term in quantities sufficient to meet course requirements at not less than 50% of the retail price. Follett shall purchase used books not adopted for the next academic term or in excess of course requirements at wholesale prices.
- 9.4 Follett will accept returns in accordance with the following policies:
- a) Non-textbook items in resalable condition may be refunded or exchanged at any time with original receipt.
 - b) Textbooks in resalable condition may be refunded with receipt within seven (7) calendar days from the start of classes or within two (2) days of purchase thereafter, including during summer term.
 - c) Textbooks purchased during the last week of classes or during exams may be sold back under the book buyback policy.
 - d) Computer software may be returned if it is unopened and shrink-wrapped.
 - e) In addition, upon proof of drop/add, Follett will accept textbook returns from students who have dropped a course up to thirty (30) days from the start of classes or until the end of the official drop/add period, whichever comes first.
- 9.5 In operating the Store, Follett shall accept as a minimum, MasterCard, Visa, Discover and American Express charge cards. Follett will pay all merchant charges associated with acceptance of these credit cards.
10. Commission.
- 10.1 Follett shall pay commission to University in an annual amount equal to the sum of:
- 10.00% of all *Gross Revenue up to \$5,000,000; plus
 - 10.75% of any part of Gross Revenue over \$5,000,000, but less than \$7,500,000; plus
 - 12.50% of any part of Gross Revenue over \$7,500,000

Attachment 3

As used in this Section 10, *Gross Revenue is defined as all sales made by the Store or the Store's world wide web page, catalog, or mail order function (if any), less sales at Athletic Department venues, refunds, returns, taxes, computer hardware sales, commissions earned from rings and graduation regalia, and sales to Follett-funded scholarship students, and to departmental faculty, staff and other sales at a discount pursuant to Section 6.16, all as reasonably calculated by Follett.

Follett shall pay commission to University on sales made at Athletic Department venues under mutually agreeable terms after accounting for normal and reasonable operating expenses.

10.2 Follett will keep complete and accurate records of all Store transactions in accordance with industry accounting practices and will provide a statement of Store gross revenue to University monthly for the preceding period. Follett will preserve records of store operations for 3 years from the transaction date, and will make them available for review, audit and verification by University at the Store upon request on reasonable advance notice during ordinary business hours other than during Store "rush" periods.

10.3 Follett shall pay the commission calculated in accordance with Section 10.1 monthly twenty days after the end of the month. Any other payment required to be made by Follett to University under this Agreement shall be made within thirty days of receipt of invoice.

11. Insurance.

11.1 During the term of this Agreement, Follett shall keep in force, at its own expense, at least the following insurance, all in accordance with this Section 11:

- a) Comprehensive General Liability having a combined single limit of not less than \$1,000,000 per occurrence covering contractual liability and products/completed operations;
- b) Business Automobile Liability having a combined single limit of not less than \$1,000,000 per occurrence covering claims arising out of ownership, maintenance, or use of owned or non-owned automobiles;
- c) Worker's Compensation insurance having limits not less than those required by applicable statute;
- d) Employer's Liability in the amount of at least \$1,000,000.

11.2 University, its affiliates, officers, directors, trustees, volunteers, and employees shall be named as additional insureds under the Commercial General Liability policy and the Business Automobile Liability policy upon the University's written request.

11.3 Follett shall furnish industry standard Certificate[s] of Liability Insurance to University showing the coverage required by this Section 11 within 30 days after execution of this Agreement or before Follett takes possession of the Store, whichever is earlier. The Certificate[s] shall provide that the issuing company will endeavor to mail written notice to the Certificate Holder (University) within 30 days in the event of any policy cancellation or termination.

- 11.4 University will notify Follett of any flood plain zoning changes affecting the Store within 30 days of receiving notice of such change from any source.
- 11.5 If University causes any work to be performed by a third party on the building housing the Store, then University will provide Follett an industry standard Certificate of Liability Insurance from the third party's insurance company(ies) showing Follett as an additional insured under the third party's Commercial General Liability policy and Business Automobile Liability policy. Both policies shall show combined single limits of \$1,000,000 per occurrence.
12. **Indemnification.**
- 12.1 Follett shall defend, indemnify and hold harmless University, its Board of Trustees, affiliates, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees), arising out of any: (i) damage, destruction or loss of any property (including but not limited to University's property); or (ii) injury to or death of any person (including but not limited to any employee of University); which results from or arises out of negligent or willful acts or omissions of Follett, its officers, agents and employees, in the performance of this Agreement.
- 12.2 To the extent permitted by applicable law, University shall defend, indemnify and hold harmless Follett, its affiliates, directors, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees) arising out of any: (i) damage, destruction or loss of any property (including but not limited to Follett's property); or (ii) injury to or death of any person (including but not limited to any employee of Follett); which results from or arises out of negligent or willful acts or omissions of University, its officers, agents or employees, in the performance of this Agreement.
13. **Independent Contractor Status.** The relationship of the parties is that of independent contractors, and no tenancy, partnership, joint venture, agency, fiduciary or other relationship is created. Neither party may order any goods nor services, incur any indebtedness, or enter into any obligation or commitment on the other party's behalf.
14. **Nonassignability.** Neither party may assign or sublet this Agreement in whole or in part without the prior written consent of the other party, except that either party may assign this Agreement in its entirety to an affiliate that controls, is controlled by or is under common control with such party. This Agreement is made for the exclusive benefit of the parties, and no benefit to any third party is intended.
15. **Notice.** Notices required or permitted by this Agreement shall be deemed given when received if sent by recognized overnight courier or first class mail, postage prepaid, to the following address, or such other address as the party may specify by notice:

To University:

Philip E. Blick or his successor
Asst. Vice President, Financial Services
Idaho State University
Campus Box 8219
Pocatello, Idaho 83209

To Follett:

Thomas A. Christopher or his successor
President
Follett Higher Education Group
1818 Swift Drive
Oak Brook, Illinois 60523

With copy to:

Bradley H. Hall or his successor
Office of the General Counsel
Campus Box 8410
Pocatello, ID 83209

With copy to:

Follett Corporation
2233 West Street
River Grove, Illinois 60171
Attn: General Counsel

16. **Severability.** If any provision of this Agreement is finally adjudicated illegal, invalid, in excess of the authority of either party hereto, or otherwise unenforceable, then such provision shall be severed, and the remainder of this Agreement shall remain in force as if such adjudicated provision were never included in this Agreement.
17. **Integrated Agreement.** This Agreement: (i) is the sole expression of the understanding of the parties with respect to operation of the Store, (ii) supersedes all prior statements and agreements with respect thereto, and (iii) may not be modified, amended or waived except in writing signed by an authorized representative of the party against whom such modification, amendment or waiver is sought to be enforced.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective authorized representatives as of the date first written above.

**FOLLETT HIGHER EDUCATION
GROUP, INC.**

By: _____

Thomas A. Christopher
President

Date: May 17, 2006

IDAHO STATE UNIVERSITY

By: _____

Michael C. Gallagher
Interim President

Date: 5/24/06

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

IDAHO STATE UNIVERSITY

SUBJECT

Resolution enabling Idaho State University (ISU) to seek reimbursement beyond an IRS established threshold from its escrow account for ISU's Enterprise Resource Planning (ERP) expenditures

REFERENCE

April 20, 2006	Update on the status of ISU computing systems.
June 14, 2006	Approval granted to release a Request for Proposal to purchase an Enterprise Resource Planning (ERP) system.
February 22, 2007	Approval granted to purchase database software from Oracle for development of a data warehouse, portal and eventual deployment of an ERP system. Approval to purchase Sun Microsystems hardware from Advanced System Group for use in the development of a data warehouse, portal and eventual deployment of an ERP system.
August 9, 2007	Approval to purchase and finance the purchase of the Banner Finance, HR/Payroll, Advancement, Student Information and Financial Aid, and Workflow systems from SunGard Higher Education, with related software, for Phase 2 of the ERP implementation.

APPLICABLE STATUTE, RULE, OR POLICY

Internal Revenue Service Code 26 §1.150-2(d)(2)
Idaho State Board of Education Governing Policies & Procedures, Section I.I
Section 33-3003, Idaho Code

BACKGROUND/DISCUSSION

The Board is reviewing this topic because the Internal Revenue Service (IRS) requires ISU to obtain formal Board approval to receive ERP lease escrow account reimbursement for certain ISU ERP expenditures. The IRS' "Official Intent Rule" requires an entity's governing board's approval to exceed a \$100,000 reimbursement threshold, as a deterrent against arbitrage. ISU has already requested reimbursement for over \$80,000.

As disclosed in the board agenda material for the August 7, 2007, meeting, the escrow account is the mechanism for making ERP-related payments to vendors as part of the tax-exempt financing through Koch Financial Corporation approved in that meeting. The proceeds of the financing were deposited in an escrow account established with an approved escrow agent, which is Wells Fargo. The escrow agent is authorized to make payments directly to the vendors, when

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authorized by ISU. However, when such payments represent a reimbursement directly to the University, they are subject to the \$100,000 threshold.

IMPACT

In anticipation of escrow reimbursement, ISU extended initial ERP expenditures in order to expedite its receipt of resources needed to make the ERP available. Approval of the resolution will provide budgetary relief for ISU's ERP operations by allowing them to exceed the threshold. This action is not a request for additional funding.

ATTACHMENTS

Attachment 1	Explanation of Official Intent Rule	Page 3
Attachment 2	Resolution	Page 5

STAFF COMMENTS AND RECOMMENDATIONS

ISU is seeking reimbursement from the escrow account for amounts the University paid out that were directly related to the ERP implementation. Some ERP purchases were made before the escrow account was set up. ISU sought reimbursement for those amounts from the escrow account because they were part of the ERP implementation plan and budget. On a few occasions, equipment or services associated with the ERP project were combined on invoices with other, general University IT equipment and services and were paid from general funds, instead of being sent to Wells Fargo to be paid from the escrow account. The University sought reimbursement for these as well. There likely will be others, as the project continues for the next several years.

This resolution is needed because the University is currently at approximately \$80,000 in amounts reimbursed to the University related to the ERP implementation. The IRS limits the University to a \$100,000 threshold on tax-exempt financing when reimbursement is made directly to the borrowing organization (ISU) from the escrow account. Any reimbursements above \$100,000 require a board resolution to avert IRS fees and or penalties related to arbitrage. Finally, the board resolution allows the University to obtain reimbursement from the escrow account up to a maximum of \$250,000 for ERP related purchases made by the University. ISU does not anticipate reimbursed expenditures to reach that amount, but chose to be conservative, just in case.

BOARD ACTION

A motion to approve the request by Idaho State University to enact the attached resolution enabling Idaho State University to seek reimbursement from its escrow account for payments made by Idaho State University for its Enterprise Resource Planning system.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Federal Regulation of Reimbursement Bond Proceeds

In establishing limits on arbitrage earnings, the federal government sought to deter issuers of tax-exempt bonds from capitalizing on the spread between tax-exempt borrowing rates and taxable rates paid to investors. Indirectly, the federal government also hoped to keep tax-exempt issuers from issuing more bonds than needed to meet public goals, issuing bonds earlier than necessary, or delaying repayment of those bonds. Each of these actions was perceived to have a negative impact on both the pricing of municipal bonds and the availability of capital (as well as depriving the Treasury of income taxes from the taxable investments investors would otherwise buy).

To limit the unnecessary or abusive issuance of tax-exempt bonds, the Revenue Code places restrictions on the yield issuers may receive from investing bond proceeds. In addition, the Revenue Code requires that issuers “rebate” earnings that exceed these yield limits (i.e., pay such excess earnings over to the Treasury, either through “rebate” payments, or “yield reduction payments” for qualifying issues). Issuers may qualify for exemption from both yield restrictions and rebate requirements under certain conditions. Nonexempt issuers that do not comply with these limits are subject to fines and penalties, and the interest earned by investors on the bonds may be deemed to be taxable.

Treasury Regulation, Section 1.150-2 provides that, under certain conditions, an issuer may treat an expenditure of bond proceeds as a reimbursement of an original expenditure. Accepting the notion that bond proceeds used to make a reimbursement have been spent, earnings derived from the investment of these funds are not subject to yield restriction. As a result, the issuer is not required to rebate profits obtained by investing funds at a higher rate of return than the interest rate on the bonds issued.

What is Required Before Issuing Reimbursement Bonds?

The Revenue Code has deemed proceeds to be spent “only in those circumstances in which the substance of the transaction indicates that the bond proceeds are being used to reimburse prior expenditures.” In general, an issuer must take the following steps to reimburse a prior expenditure and treat bond proceeds as spent for purposes of yield restriction and arbitrage rebate:

- Declare its intent to spend money on a project and to pay itself back with bond proceeds;
- Spend its own municipal money on the project;
- Allocate bond proceeds to pay back the expenditure on its books in the time period permitted; and
- Treat the bond proceeds as “spent,” freeing them from any arbitrage restriction.

More specifically, Section 1.150-2(d) requires that the issuer of a reimbursement bond meet three primary requirements when allocating bond proceeds to a prior expenditure. These requirements are:

- 1) an official intent requirement;
- 2) a reimbursement period requirement; and
- 3) a nature of expenditure requirement.

(1) Official Intent Requirement

The official intent requirement “is designed to ensure that, on or about the date of payment, the issuer intended to reimburse the expenditure and that the reimbursements are not an artifice to avoid tax-exempt bond requirements” associated with arbitrage. The official intent rules require the issuer to declare a reasonable intention to reimburse the expenditure with proceeds of a borrowing.

The declaration of official intent to reimburse must be made no later than 60 days after the payment of the original expenditure. It may be made in one of several forms, including issuer resolution, which is the form being sought here. Although the IRS allows that a declaration of official intent may be very broad, blanket declarations are not reasonable.

An issuer must describe the project in the declaration and state the expected maximum size of the obligations to be issued. A project may include any property, project, or program, including implementation of an ERP system.

(2) Reimbursement Period Requirement

A reimbursement allocation is an allocation in writing, demonstrating use of the proceeds of a reimbursement bond to reimburse the original expenditure. Generally, the reimbursement allocation must take place no later than 18 months after the date of the original expenditure or 18 months after the date the project is either placed in service or abandoned, whichever occurs last. In most cases, this period cannot exceed 3 years after the original expenditure.

(3) Nature of Expenditure Requirement

Finally, the nature of expenditure requirement limits, in general, the application of the proceeds to reimburse capital expenditures, extraordinary working capital costs, or the costs of issuing the bond. The purpose of this requirement is to keep the proceeds from being used for general working capital or to cover the operating costs of a project.

RESOLUTION NO. _____

**RESOLUTION expressing official intent regarding certain
capital expenditures to be reimbursed from proceeds of
Schedule of Property No. 3 dated September 13, 2007 to the
Master Equipment Lease Purchase Agreement dated July 1, 2003 (“Master Lease”)
between Idaho State University (“ISU”) and Koch Financial Corporation (“Lessor”)**

Background

ISU has developed a list of capital projects (the “*Projects*”) described in Exhibit A (attached and incorporated into this Resolution); and

All or a portion of the expenditures relating to those projects (the “*Expenditures*”) (i) have been paid within sixty days before the passage of this Resolution or (ii) will be paid on or after the passage of this Resolution; and

ISU reasonably expects to reimburse itself for the Expenditures with the proceeds of a lease schedule in the form of Exhibit A to the Master Lease (each, a “*Schedule*”) that the parties may sign from time to time. Each Schedule and the provisions of the Master Lease (including each exhibit and any amendments to this Resolution), which are to be incorporated by reference into each Schedule, constitute a separate and independent lease and installment purchase of the Equipment identified in that lease, and are referred to as a “*Lease*.”

Some expenses have been incurred and ISU has been reimbursed before this Resolution’s adoption.

Resolution

The Idaho State Board of Education resolves as follows:

- Section 1. ISU reasonably expects to reimburse the Expenditures with proceeds of a Lease.
- Section 2. The maximum principal amount of the obligations expected to be issued for the Projects is **\$8,733,257.79**
- Section 3. All actions of the officers, agents and employees of ISU that are in conformity with the purposes and intent of this Resolution, irrespective of whether taken before or after the Resolution’s adoption, are ratified, confirmed and adopted.
- Section 4. This Resolution is in full force and effect immediately upon its adoption.
- Section 5. The maximum reimbursement amount that ISU expects to receive is \$250,000.

Adopted: _____
Date

AYES: _____

NAYES: _____

ABSENT: _____

Approved: _____
Date

Signed: _____
Board Member Name and Title

EXHIBIT A

Description of Capital Projects with Koch Financial Corporation (“Projects”)

Software, services and maintenance for the Banner
ERP System from SunGard Higher Education
and other associated software systems

Total: \$8,733,257.00

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UNIVERSITY OF IDAHO

SUBJECT

Capital Project Authorization Request, Tenant Improvements at Legacy Point,
Idaho Water Center, Boise, Idaho

REFERENCE

June 17, 2004	Progress report on Idaho Water Center
August 12, 2004	Information item
December 2, 2004	Approved completion of tenant improvements in the unfinished portions of the Idaho Water Center

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.1
and Section V.K.2

BACKGROUND/DISCUSSION

The initial construction of the Idaho Water Center was completed in the Fall of 2004. Portions of the building were left in a shelled condition only, with the expectation that additional tenant improvements would be provided as the spaces were incrementally occupied over time. Since the initial build out, a great majority of the shelled space has been completed, with the following organizations now occupying space in the building: the University of Idaho, Idaho State University, the U. S. Forest Service, the Idaho Department of Water Resources, the Office of Energy Resources, and CH2M Hill.

The last major space in the building remaining in a shelled condition is on the street level at the corner of Broadway Avenue and Front Street. This space includes approximately 2,000 square feet and is a very prominent and visible portion of the building, which has served as an informal gathering and meeting room over the last four years despite its unfinished state. The building is primarily a combination of office and laboratory space with three large classrooms serving a variety of instructional needs. But the building lacks a large meeting room where a wider range of university, public, and corporate events can be appropriately conducted. Working with a group of interested donors, the University has identified the potential to complete the necessary construction improvements in this space to establish such a meeting room, to be called Legacy Point.

The Treasure Valley is Idaho's hub of government and business. Legacy Point will provide the University a venue to host state, regional, and national leaders, to engage the community, and to conduct mid-size educational experiences. Various University of Idaho educational programs are conducted in locations around the Treasure Valley due to lack of space at the Water Center. Colleges such as Natural Resources which do not base faculty in Boise host important

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topical meetings and conferences in the region. Legacy Point will provide our academic leaders a chance to host such events at the Water Center rather than renting meeting space elsewhere.

The space is envisioned to provide video conferencing to support off-site participation in any meeting or conference. Appropriately outfitted, the space will also support enrichment opportunities for the general public – such as the Bellwood Lecture or displays from the Smithsonian – or remote meetings of International Water Experts. When the room is finished, Alumni, Vandal Booster, UI Foundation, College Advisory Boards and other university segments will also host meetings and events in the room.

The room is expected to accommodate groups of up to 85-100 participants, depending on the seating arrangement. A catering kitchen is already in operation in an adjoining space, providing flexibility and improving services to the range of events supported in the space.

This space has unique challenges to address in establishing such a meeting space. The room currently houses several air handlers suspended from the ceiling, serving other portions of the building. The noise from these air handlers and from the general street traffic must be minimized, to the extent possible, in order to create a space inviting and useful for the purposes stated. This will require constructing a structural steel frame to support a new ceiling beneath the existing air handlers. This ceiling must support maintenance personnel above servicing the air handlers, as well as up to four layers of drywall to provide the necessary acoustic separation between the air handlers and the meeting space below. Heavy draperies and mechanized blinds will assist with sound and light control in support of a variety of media presentations and video conferencing.

The video conferencing and multi-media needs will be supported with state of the art electronics and a 'video wall,' connecting remote participants to the events in the room. These features, along with substantial hardwood casework and finishes will give the room a corporate feel, in keeping with the donor's wishes, and provide a first-class meeting space in this prime downtown location. Accordingly, a generous project budget has been established to support construction and furnishings in alignment with donors' vision for the fit and finish of the room.

The project will also include minor renovation of some 'back of house' hallway space which is now largely unused, but the completion of Legacy Point will become primary, visible, and active corridors serving the space. The improvements will include the ceiling and floor treatments.

The project is funded solely through private donations to the University of Idaho Foundation. Full project funding through the Foundation is in hand at this time,

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and the project can proceed immediately upon project authorization. The University seeks authorization for the \$875K capital project at this time.

The following are potential milestones anticipated for this project:

Milestone Date	
Regents project authorization	Feb 2009
Project design development and construction documents	Mar/Apr 2009
Advertise and award construction project	Apr/May 2009
Construction	Summer/Fall 2009

The projected timeline is approximate and will be further refined over the course of the design process.

The project is fully consistent with the University's strategic plan and the strategic plan for UI Boise operations.

IMPACT

<u>Funding</u>		<u>Estimate Budget</u>	
State	\$ 0	Construction	\$ 700,000
Federal (Grant):	\$ 0	A/E & Consultant Fees	\$ 87,000
Other (Private)	\$ <u>875,000</u>	Contingency	\$ <u>88,000</u>
Total	\$ 875,000	Total	\$ 875,000

ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

According to the university, a lead donor and several other donors have put up money for this specific project. Funds have been secured to be put in an endowment with the specific intent to fund subsequent years' occupancy, maintenance and repair.

All funds are in hand and in a special account to totally fund this project and ensure it is maintained in the future. No appropriated funds are required.

The University anticipates the occupancy costs to be quite low and the maintenance costs to be low for several years. The endowment, of at least \$125,000, will maintain the quality of the room.

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BOARD ACTION

A motion to approve the request by the University of Idaho to execute all necessary contracts in support of design and construction of the tenant improvements at Legacy Point in the Idaho Water Center, with a project budget not to exceed \$875,000, to be funded solely from private donations.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of 27, October, 2008

History Narrative

- 1 **Institution/Agency:** University of Idaho **Project:** Capital Project Design and Construction for Tenant Improvements at Legacy Point, Idaho Water Center, Boise, Idaho.
- 2 **Project Description:** The project completes tenant improvements in Legacy Point, currently an unfinished portion of the Idaho Water Center. The project provides a new structural steel frame to support a ceiling enclosing existing air handlers above the space. All finishes, furnishing, and equipment, to include a high tech video wall are also included.
- 3 **Project Use:** The project provides a new meeting room in the Water Center, to support groups of up to 100 people. Legacy Point will provide the University a venue to host state, regional, and national leaders, to engage the community, and to conduct mid-size educational experiences.
- 4 **Project Size:** Approximately 2,000 square feet

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other**	Total Uses
Initial Cost of Project*	\$ -	\$ -	\$ 875,000	\$ 875,000	\$ 87,000	\$ 700,000	\$ 88,000	\$ 875,000
History of Revisions:								
Total Project Costs	\$ -	\$ -	\$ 875,000	\$ 875,000	\$ 87,000	\$ 700,000	\$ 88,000	\$ 875,000

History of Funding:	* Other Sources of Funds						
	PBF	ISBA	Institutional Funds (Gifts/Grants)	Student Revenue	Other	Total Other	Total Funding
Initial Regents Authorization, Dec 08	\$ -		\$875,000		\$ -	\$ 875,000	\$ 875,000
						-	-
						-	-
						-	-
Total	\$ -	\$ -	\$ 875,000	\$ -	\$ -	\$ 875,000	\$ 875,000

25 * All project funding to be through private donations

26 ** Project Contingency.

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UNIVERSITY OF IDAHO

SUBJECT

Transfer of real property located in Nez Perce County, Idaho, to the University of Idaho Foundation, Inc.

REFERENCE

June 23, 1983 Approved gifted property acceptance and disposal

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Policies and Procedures Section V.I.5.b(3)

BACKGROUND/DISCUSSION

In 1983 and 1984 trustees of the Grace V. Nixon Trust deeded approximately 1,000 acres of farmland and 120 acres of forestland to the Regents. The trust stipulated that the assets were to be used to establish the "Grace V. Nixon Endowment Fund". As previously authorized by the Regents in 1983, the farmland was soon sold and the proceeds were placed in the endowment and that endowment was transferred to the University of Idaho Foundation to be invested and managed for the exclusive benefit of the University's scholarship program. Title to the remaining 120 acres of undeveloped forestland has remained with the Regents and the property has not been actively marketed for disposal.

Although all of the real estate from the Nixon Trust was originally conveyed to the Regents, the intent of the gift was to enhance a university endowment fund to meet the donor's gifting objectives. Today, such gifts of real estate intended to generate cash for specific endowments are, by University policy, conveyed directly from the donor to the UI Foundation. The UI Foundation is able to manage real estate assets more effectively because its status as a private entity allows it to conduct confidential and timely real estate negotiations more typical of investment real estate transactions.

In this case the subject property has never been utilized by university programs and is not of programmatic value to the University. The UI Foundation would be obligated, in its established role for managing such endowments for the benefit of the University of Idaho, to manage the asset in accordance with the intent of the donor. The property was never intended to be a programmatic asset of the University except to the extent it was intended to generate cash for an endowment fund managed by the UI Foundation for the exclusive benefit of University of Idaho students.

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IMPACT

Conveyance of the property to the University of Idaho Foundation will impose no costs on the University and will ensure the asset is more appropriately managed to achieve the purposes of the donor's endowment. The Regents will receive no payment from the conveyance to the UI Foundation, but proceeds from the UI Foundation's eventual sale of the property will further benefit the endowment and students at the University who are the recipients of the Grace V. Nixon Scholarship.

ATTACHMENTS

Attachment 1–Quitclaim Deed

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The transfer of real property is consistent with the approach to separate investment assets under control by foundations and institution assets.

Staff recommends approval.

BOARD ACTION

A motion to approve the transfer of real property to the University of Idaho Foundation and authorize the University of Idaho's Vice President for Finance and Administration to execute the necessary documents in substantial conformance to the form submitted to the Board in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

QUITCLAIM DEED

THIS QUITCLAIM DEED made this ____ day of _____, 2009, between THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a state educational institution and body politic and corporate organized and existing under the laws and constitution of the State of Idaho, herein referred to as “**Grantor**,” and THE UNIVERSITY OF IDAHO FOUNDATION, INC., an Idaho corporation, herein referred to as “**Grantee**” witnesseth:

That Grantor, for good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby REMISE, RELEASE, and QUITCLAIM, unto Grantee and its successors and assigns forever, real property situated in the County of Nez Perce, State of Idaho and more particularly described as:

The Southwest Quarter of the Northeast Quarter and the South Half of the Northwest Quarter, Section 34, Township 33 North, Range 4 West Boise Meridian

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, in law as well as in equity of the Grantor in or to the said property, and all and singular the tenements, hereditaments, and appurtenances thereunto belonging.

IN WITNESS WHEREOF, Grantor has hereunto set its hand on the day and year first above written.

GRANTOR:

Board of Regents of the University of Idaho

By: _____
Lloyd Mues, Vice President,
Finance & Administration

STATE OF IDAHO)
) ss.
County of Latah)

On this ____ day of _____, 2009, before me, the undersigned, a Notary Public in and for said State, personally appeared Lloyd Mues, known to me to be the Vice President for Finance & Administration of the University of Idaho, the University that executed the instrument, and acknowledged to me that he executed the same for and on behalf of the Board of Regents of the University of Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My Commission Expires: _____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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LEWIS-CLARK STATE COLLEGE

SUBJECT

Lewis-Clark State College (LCSC) requests Board approval of proposed financing (\$4.5M) for purchase of privately-owned residential facility (Clearwater Hall)

REFERENCE

October 2004	LCSC informed Board of shortage of residence hall space for Lewiston campus.
December 2004	Board asked for needs analysis and competitive RFP.
January 2005	Board asked LCSC to explore possibility of having private firm(s) build new residence halls, and/or advantages of self-financing without a lease.
March 2005	Board approved sale of tax-exempt bonds to fund the construction of a residence hall; however, at Board request, LCSC postponed action until private firms had time to develop proposals.
October 2005	After LCSC was contacted by two firms (each proposing to fund and build a residence hall) the Board approved the sale of lots to provide land for private development of (College Place) residence hall.
June 2006	Board approved management agreement for the first of two privately-developed residence halls (College Place) located adjacent to Campus.
November 2006	Board approved management agreement for the second of two-privately built residence halls (Clearwater Hall) located in downtown Lewiston.
April 2008	Board authorized LCSC to make offer to purchase the residential portion of Clearwater Hall for the higher of \$3.8M or appraised value.
December 2008	Board authorized LCSC to purchase entire facility (upstairs residential space, first-floor "commercial" space, furniture/fixtures/equipment, and land for \$4.5M, subject to subsequent Board approval of financing.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.1. through V.I.2. ("Acquisition of Real Property")

BACKGROUND/DISCUSSION

After protracted negotiations between LCSC and College Town Development Idaho (CTDI)—the builders/owners of the 117-bed Clearwater Hall residence facility in downtown Lewiston, the State Board approved at its December 2008

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meeting LCSC's offer of \$4.5M for the facility. That amount was the owners' latest counter-offer as the minimum acceptable price for the facility. Earlier negotiations for the residential portions of the facility only, or for the entire facility at lower prices, had not been successful. The \$4.5M purchase price includes the entire property (building and land) and all furniture, fixtures, and equipment in the facility. In its direction for LCSC to offer \$4.5M for the facility, the State Board stipulated that completion of the purchase was contingent upon the Board's subsequent approval of LCSC's financing terms. Wells Fargo Bank has agreed to the financing terms, and LCSC is requesting Board approval to close on the property.

Based on earlier discussions with financial advisors, LCSC originally presented the Board with financing assumptions based on use of a secured note, with an amortization period of 27 years, with a balloon payment after 15 years, at an interest rate of approximately 4.9%—or failing that, it was believed the project could be financed through issuance of bonds at a similar interest rate. As negotiations progressed in Fall 2008, credit markets have been in turmoil, and, as of the time of writing, the options of financing the purchase either through a secured note or bonding, at the previously-contemplated interest rates of below 5%, are not feasible. Working with our bankers/advisors, we have received approval for an interim financing method which will enable LCSC to acquire the property at a 4% fixed rate, with minimal financing costs (approximately \$10,000 for a \$4.5M loan) for two years, with an option to extend for a third year, giving the College the option of continuing the credit arrangement or converting to long-term financing when the bond market stabilizes.

Attachments 2 and 3 show the earlier financing assumptions used by LCSC at the time of the Board's approval of the purchase price for Clearwater Hall. Those assumptions were based on an estimated 4.9% interest rate. Attachment 4 shows the current financial arrangement for the entire facility, with the 4.0% interest rate agreed to by Wells Fargo. Attachments 5 and 6 compare the pro forma analyses for the residential space under the old (4.9%) and new (4.0%) interest rates; and Attachment 7 depicts the amortization schedule for the project under the proposed interim financing arrangement. Attachment 8 shows a comparison of the earlier-proposed financing option, the costs if LCSC were to try to jump into the volatile bond market at this point, and the costs of the proposed interim financing approach. The proposed interim financing approach is clearly the most cost-effective for the College and provides the best flexibility for LCSC to obtain favorable long-term rates when economic conditions stabilize.

The proposed financing consists of an expansion of LCSC's current line of credit with Wells Fargo from \$2.0M to \$6.5M, reflecting the addition of the purchase price of the Clearwater property. An interim note for \$4.5M will be secured by rental revenues from residents and from student facility fees that are already in place.

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LCSC requests Board approval of the proposed financing arrangements—and that the Board sign the Authorizing Resolution at Attachment 9 and the Certificate of Office document at Attachment 10.

IMPACT

Board approval of the proposed financing approach will allow LCSC to take possession of a facility that has been a strategic priority for the College for more than five years. The ability to own (rather than merely “manage”) the facility will give the College full control over use of all portions of the facility; enable the College to use the revenues generated by student rents; obtain a well-built facility and its furnishings for an amount below the actual development cost of the property, and at a fraction of what a new (or refurbished) residence facility would cost—with availability at least a year away; and prevent any disruptions for the current student residents of the facility. LCSC will continue to monitor market conditions and will return to the Board to discuss re-financing if/when long-term financing terms become more favorable than the current loan arrangement.

ATTACHMENTS

Attachment 1	Clearwater Hall photos	Page 5
Attachment 2	Old Financing Assumptions (Residential Space)	Page 6
Attachment 3	Old Financing Assumptions (Commercial Space)	Page 7
Attachment 4	Current Financing Assumptions (Entire Facility)	Page 8
Attachment 5	Old Pro Forma (Residential Space)	Page 9
Attachment 6	Current Pro Forma (Residential Space)	Page 10
Attachment 7	Amortization Schedule	Page 11
Attachment 8	Comparison of Three Financing Options	Page 12
Attachment 9	Board Authorizing Resolution	Page 13
Attachment 10	Board Office Certification	Page 17
Attachment 11	Draft Loan Agreement	Page 19

STAFF COMMENTS AND RECOMMENDATIONS

The facility fees used to secure the debt are not obligated to other commitments.

Attachment 7, 25 Year Debt Amortization, shows the debt service using the two-year interest rate of 4.0%. LCSC intends to pay both the interest and principal during the next two years rather than only paying interest as is allowable.

It appears this short term solution will provide the College the ability to purchase the facility while allowing it flexibility to refinance when the market for secured notes, which are tied to the municipal bond market, opens up.

Staff recommends approval.

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BOARD ACTION

A motion to approve the request by Lewis- Clark State College to obtain financing for \$4.5M from Wells Fargo Bank, N.A., for the purpose of financing its purchase of the Clearwater Hall residential facility in Lewiston, Idaho, through a secured note at 4.0% secured by facility rental revenue and student facility fees, by signing the attached Board Authorization and Board Office Certification.

Motion by _____ Seconded by _____ Carried Yes ___ No ___

Clearwater Hall



Interior
Spaces



Clearwater Hall, Lewis-Clark State College's newest residence hall, features individual bedrooms, wireless internet connectivity and television cable. Suites have a common kitchen with microwave and full size refrigerator and fully furnished bedrooms and living areas.



Clearwater is LCSC's **only fully furnished facility**. Clearwater's downtown location is close to Lewiston's cultural and historic roots - near great running and biking areas and easy access to both the Clearwater and Snake Rivers.

Parking is **FREE** in nearby municipal lots.

Clearwater Hall-Residential Space Financing Assumptions (**Original**)

BACKGROUND

Lewis-Clark State College has analyzed the possible purchase of Clearwater Hall. If an offer is authorized, State Board approval will be sought for financing terms.

DISCUSSION

Upon Board approval, LCSC will seek to obtain funds to purchase this facility via the issuance of a tax exempt student fee revenue note. At this date it is anticipated that the terms and conditions of this financing would approximate the following:

Borrower:	Lewis-Clark State College
Buyer:	Wells Fargo Brokerage Services, LLC or its assignee
Project:	Purchase of Clearwater Hall from a private investor
Total Project Costs:	\$3.8 million (estimated)
Costs of Issuance	Responsibility of Borrower
Amount to be Financed	100%
Term	15 years (27 year amortization with refinancing at 15 years)
Interest Rate	4.9% (estimated)
Payment Amount	\$253,000 (estimated)
Amount to Refinance	\$820,000 (estimated)
Anticipated Funding Date	June 2008

**Clearwater Hall Vacant-Commercial Space
Financing Assumptions (**Original**)**

Borrower:	Lewis-Clark State College
Buyer:	Wells Fargo Brokerage Services, LLC or its assignee
Project:	Purchase of Clearwater Hall (first floor portion)
Total Project Costs:	\$800,000
Costs of Issuance	Responsibility of Borrower
Amount to be Financed	100%
Term	15 years (27 year amortization with refinancing at 15 years)
Interest Rate	4.9% (estimated)
Payment Amount	\$54,056/year (depending on actual interest rate)
Amount to Refinance	\$481,000 (depending on actual interest rate)

**Clearwater Hall
Interim Financing Proposal
(Current Proposal)**

Borrower:	Lewis-Clark State College
Buyer:	Wells Fargo Bank or its assignee
Project:	Purchase of Clearwater Hall
Project Costs:	\$4,510,000
Costs of Issuance	Responsibility of Borrower
Amount to be Financed	100%
Term	2 years (Payments based upon a 25 year amortization schedule)
Interest Rate	4.0% fixed for term
Payment Amount	\$23,805 monthly
Annual Debt Service	\$285,660

Clearwater Hall-10 year financial pro forma
27 year debt amortization
(Original Assumptions: 4.9% Int. Rate)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue											
	Student Room Revenue	\$ 394,050	\$ 405,872	\$ 418,048	\$ 430,589	\$ 443,507	\$ 456,812	\$ 470,516	\$ 484,632	\$ 499,171	\$ 514,146
	Retail Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Deposits Retained	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
	Laundry	\$ 2,250	\$ 2,318	\$ 2,387	\$ 2,459	\$ 2,532	\$ 2,608	\$ 2,687	\$ 2,767	\$ 2,850	\$ 2,936
	Vending Commissions	\$ 650	\$ 670	\$ 690	\$ 710	\$ 732	\$ 754	\$ 776	\$ 799	\$ 823	\$ 848
Total Revenue		\$ 401,950	\$ 414,009	\$ 426,429	\$ 439,222	\$ 452,398	\$ 465,970	\$ 479,949	\$ 494,348	\$ 509,178	\$ 524,454
Expenditures											
	Debt Service	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000	\$ 253,000
	Salaries	\$ 47,486	\$ 48,911	\$ 50,378	\$ 51,889	\$ 53,446	\$ 55,049	\$ 56,701	\$ 58,402	\$ 60,154	\$ 61,958
	Irregular Help	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
0.19	Fringe Benefits	\$ 25,229	\$ 25,986	\$ 26,765	\$ 27,568	\$ 28,395	\$ 29,247	\$ 30,125	\$ 31,028	\$ 31,959	\$ 32,918
	Power & Gas	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 24,345	\$ 25,075	\$ 25,827	\$ 26,602	\$ 27,400
	Water & Sewer	\$ 9,500	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,692	\$ 11,013	\$ 11,343	\$ 11,684	\$ 12,034	\$ 12,395
	Cable TV	\$ 11,162	\$ 11,497	\$ 11,842	\$ 12,197	\$ 12,563	\$ 12,940	\$ 13,328	\$ 13,728	\$ 14,140	\$ 14,564
	Custodial Supplies	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
	Trash	\$ 7,695	\$ 7,926	\$ 8,164	\$ 8,409	\$ 8,661	\$ 8,921	\$ 9,188	\$ 9,464	\$ 9,748	\$ 10,040
	Telephone/Internet	\$ 29,000	\$ 29,870	\$ 30,766	\$ 31,689	\$ 32,640	\$ 33,619	\$ 34,628	\$ 35,666	\$ 36,736	\$ 37,838
	Supplies	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
	Elevator	\$ 1,900	\$ 1,957	\$ 2,016	\$ 2,076	\$ 2,138	\$ 2,203	\$ 2,269	\$ 2,337	\$ 2,407	\$ 2,479
	R & M	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 3,690	\$ 3,800	\$ 3,914
	R & M - Contingency	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
	Security	\$ 200	\$ 206	\$ 212	\$ 219	\$ 225	\$ 232	\$ 239	\$ 246	\$ 253	\$ 261
	Miscellaneous	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230	\$ 1,267	\$ 1,305
Total Expenditures		\$ 434,172	\$ 439,607	\$ 445,205	\$ 450,972	\$ 456,911	\$ 463,028	\$ 469,329	\$ 475,819	\$ 482,503	\$ 489,388
Est. Annual Net Revenue(Loss)		\$ (32,222)	\$ (25,599)	\$ (18,777)	\$ (11,750)	\$ (4,512)	\$ 2,942	\$ 10,620	\$ 18,529	\$ 26,675	\$ 35,065
Accum.Fund Bal. (deficit)		\$ (32,222)	\$ (57,821)	\$ (76,597)	\$ (88,347)	\$ (92,860)	\$ (89,917)	\$ (79,297)	\$ (60,768)	\$ (34,093)	\$ 972

Assumptions:

3% increase fees and expenses except debt service.

Purchase price- 3,700,000

Loan costs 44,252

Total Borrowing \$ 3,744,252

Interest Rate- Estimate **4.90%**

Annual debt service **253,000**

Amortization Period **27 years with 15 year balloon**

Clearwater Hall-10 year financial pro forma
25 year debt amortization
(Current Proposal: 4.0% Int. Rate)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue											
Student Room Revenue	\$	394,050	\$ 405,872	\$ 418,048	\$ 430,589	\$ 443,507	\$ 456,812	\$ 470,516	\$ 484,632	\$ 499,171	\$ 514,146
Retail Value	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits Retained	\$	5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Laundry	\$	2,250	\$ 2,318	\$ 2,387	\$ 2,459	\$ 2,532	\$ 2,608	\$ 2,687	\$ 2,767	\$ 2,850	\$ 2,936
Vending Commissions	\$	650	\$ 670	\$ 690	\$ 710	\$ 732	\$ 754	\$ 776	\$ 799	\$ 823	\$ 848
Total Revenue	\$	401,950	\$ 414,009	\$ 426,429	\$ 439,222	\$ 452,398	\$ 465,970	\$ 479,949	\$ 494,348	\$ 509,178	\$ 524,454
Expenditures											
Debt Service	\$	234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817	\$ 234,817
Salaries	\$	47,486	\$ 48,911	\$ 50,378	\$ 51,889	\$ 53,446	\$ 55,049	\$ 56,701	\$ 58,402	\$ 60,154	\$ 61,958
Irregular Help	\$	5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
0.19 Fringe Benefits	\$	25,229	\$ 25,986	\$ 26,765	\$ 27,568	\$ 28,395	\$ 29,247	\$ 30,125	\$ 31,028	\$ 31,959	\$ 32,918
Power & Gas	\$	21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 24,345	\$ 25,075	\$ 25,827	\$ 26,602	\$ 27,400
Water & Sewer	\$	9,500	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,692	\$ 11,013	\$ 11,343	\$ 11,684	\$ 12,034	\$ 12,395
Cable TV	\$	11,162	\$ 11,497	\$ 11,842	\$ 12,197	\$ 12,563	\$ 12,940	\$ 13,328	\$ 13,728	\$ 14,140	\$ 14,564
Custodial Supplies	\$	5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
Trash	\$	7,695	\$ 7,926	\$ 8,164	\$ 8,409	\$ 8,661	\$ 8,921	\$ 9,188	\$ 9,464	\$ 9,748	\$ 10,040
Telephone/internet	\$	29,000	\$ 29,870	\$ 30,766	\$ 31,689	\$ 32,640	\$ 33,619	\$ 34,628	\$ 35,666	\$ 36,736	\$ 37,838
Supplies	\$	4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
Elevator	\$	1,900	\$ 1,957	\$ 2,016	\$ 2,076	\$ 2,138	\$ 2,203	\$ 2,269	\$ 2,337	\$ 2,407	\$ 2,479
R & M	\$	3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 3,690	\$ 3,800	\$ 3,914
R & M - Contingency	\$	10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
Security	\$	200	\$ 206	\$ 212	\$ 219	\$ 225	\$ 232	\$ 239	\$ 246	\$ 253	\$ 261
Miscellaneous	\$	1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 1,230	\$ 1,267	\$ 1,305
Total Expenditures	\$	415,989	\$ 421,424	\$ 427,022	\$ 432,789	\$ 438,728	\$ 444,845	\$ 451,146	\$ 457,636	\$ 464,320	\$ 471,205
Est. Annual Net Revenue(Loss)	\$	(14,039)	\$ (7,416)	\$ (594)	\$ 6,433	\$ 13,671	\$ 21,125	\$ 28,803	\$ 36,712	\$ 44,858	\$ 53,248
Accum.Fund Bal. (deficit)	\$	(14,039)	\$ (21,455)	\$ (22,048)	\$ (15,615)	\$ (1,945)	\$ 19,181	\$ 47,984	\$ 84,696	\$ 129,554	\$ 182,802

Assumptions:

3% increase fees and expenses except debt service.
Purchase price- 3,700,000

Interest Rate **4.00%**
Annual debt service **234,817**
Amortization Period 25 yr, refinance in 2-3 years

ATTACHMENT 7

LOAN AMOUNT: \$4,510,000.00
 INTEREST RATE: 4.00% 0.003333333
 Term 300 monthly
 PAYMT AMOUNT: \$23,805.44

	PAYMENT	INTEREST	PRINCIPAL	BALANCE
				\$4,510,000.00
1	\$23,805.44	\$15,033.33	\$8,772.11	\$4,501,227.89
2	\$23,805.44	\$15,004.09	\$8,801.35	\$4,492,426.54
3	\$23,805.44	\$14,974.75	\$8,830.69	\$4,483,595.86
4	\$23,805.44	\$14,945.32	\$8,860.12	\$4,474,735.73
5	\$23,805.44	\$14,915.78	\$8,889.66	\$4,465,846.08
6	\$23,805.44	\$14,886.15	\$8,919.29	\$4,456,926.79
7	\$23,805.44	\$14,856.42	\$8,949.02	\$4,447,977.77
8	\$23,805.44	\$14,826.59	\$8,978.85	\$4,438,998.92
9	\$23,805.44	\$14,796.66	\$9,008.78	\$4,429,990.15
10	\$23,805.44	\$14,766.63	\$9,038.81	\$4,420,951.34
11	\$23,805.44	\$14,736.50	\$9,068.94	\$4,411,882.40
12	\$23,805.44	\$14,706.27	\$9,099.17	\$4,402,783.23
13	\$23,805.44	\$14,675.94	\$9,129.50	\$4,393,653.74
14	\$23,805.44	\$14,645.51	\$9,159.93	\$4,384,493.81
15	\$23,805.44	\$14,614.98	\$9,190.46	\$4,375,303.35
16	\$23,805.44	\$14,584.34	\$9,221.10	\$4,366,082.25
17	\$23,805.44	\$14,553.61	\$9,251.83	\$4,356,830.41
18	\$23,805.44	\$14,522.77	\$9,282.67	\$4,347,547.74
19	\$23,805.44	\$14,491.82	\$9,313.62	\$4,338,234.13
20	\$23,805.44	\$14,460.78	\$9,344.66	\$4,328,889.46
21	\$23,805.44	\$14,429.63	\$9,375.81	\$4,319,513.65
22	\$23,805.44	\$14,398.38	\$9,407.06	\$4,310,106.59
23	\$23,805.44	\$14,367.02	\$9,438.42	\$4,300,668.17
24	\$23,805.44	\$14,335.56	\$9,469.88	\$4,291,198.29

Clearwater Hall Financing
Comparative Summary
January 27, 2009

	Original Debt Service Projection (1)	Current Interim Market Projection (2)	Financing Proposal (3)
Residence Hall-debt service	253,000	307,849	234,817
Commerical Space-debt service	54,056	66,664	50,848
Total Facility debt service	307,056	374,513	285,665

Notes:

- (1) Original financing estimate provided to the Board based upon market estimate from Public Finance Department - Wells Fargo. Annual debt service figure based upon financing via private placement of a secured note with 27 year amortization at **4.9%** with a 15 year balloon.
- (2) As of January 21, 2009, Executive Vice President at Wells Fargo Public Finance indicated market volatility likely precluded secured note and recommended sale of a bond. Annual debt service figure based upon 25 year bond with an interest rate of **6.65%** including premium for bond insurance and all costs of issuance.
- (3) Represents approved quote from Wells Fargo bank for interim financing for two year period at **4%** fixed rate with flexibility for extension at rate to be negotiated at end of two years if market for permanent financing remains unfavorable. Mechanism consists of expansion to existing line of credit with Wells Fargo including specific security provisions relative to this financing.

AUTHORIZING RESOLUTION

A RESOLUTION OF THE STATE BOARD OF EDUCATION ACTING AS THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE, AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AGREEMENT AND A PROMISSORY NOTE WITH WELLS FARGO BANK, NATIONAL ASSOCIATION AND RELATED DOCUMENTS WITH RESPECT TO THE FINANCING OF THE ACQUISITION OF A FACILITY FOR STUDENT RESIDENTIAL HOUSING AND OTHER COLLEGE PROGRAMS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, THE STATE BOARD EDUCATION ACTING AS BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE (the “College”), a body politic and corporate and institution of higher education duly organized, existing and authorized by the Constitution and laws of the State of Idaho, to borrow money and issue notes or bonds to finance the acquisition of a facility for student residential housing and other College programs in Lewiston, Idaho (the “Project”); and

WHEREAS, the College desires to finance the Project through an Amended and Restated Loan Agreement (the “Agreement”) and Promissory Note (the “Note”) in the amount of \$4,500,000 and at a projected rate of interest described in the Agreement and Note with Wells Fargo Bank, National Association (the “Bank”, evidencing a loan (the “Loan”) for the Project;

WHEREAS, in order to finance the Project, the College proposes to enter into the Loan Agreement and related documents with the Bank (the “Financing Documents”), the form of which have been presented to the Board of Trustees at this meeting,; and

WHEREAS, the Board of Trustees of the College deems it for the benefit of the College and for the efficient and effective administration thereof to enter into the Financing Documents on the terms and conditions therein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE as follows:

Section 1. Approval of Documents.

The form, terms and provisions of the Financing Documents are hereby approved in substantially the forms presented at this meeting; and the Bursar of the College is hereby authorized and directed to execute the Financing Documents and to deliver the Financing Documents to the respective parties thereto.

Section 2. Other Actions Authorized.

The officers and employees of the College shall take all action necessary or reasonably required by the parties to the Agreement and all related documents to carry out, give effect to and consummate the transactions contemplated thereby and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. Severability.

If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 4. Repealer.

All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 5. Effective Date.

This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the BOARD OF TRUSTEES LEWIS-CLARK STATE COLLEGE this ____th day of February, 2009.

THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE

By: _____
Printed Name: _____
Title: President, State Board of Education and
Board of Trustees of Lewis-Clark State
College

By: _____
Name: _____
Title: Bursar

ATTEST:

By: _____
Printed Name: _____
Title: Secretary of the Board

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**CERTIFICATE OF OFFICER OF
THE IDAHO STATE BOARD OF EDUCATION**

I, the undersigned, do hereby certify that I am the duly qualified and acting _____ of the Idaho State Board of Education (the "Board").

Attached to this Certificate as Exhibit A is Agenda Item _____ of the Board from the regular public meeting of the Board held on _____, 2009, which Agenda Item sets forth the motion for approval by the Board, as the Board of Trustees of Lewis-Clark State College, to approve its loan with Wells Fargo Bank, National Association. The Board approved said motion at the said meeting.

I further certify that the meeting was duly called and noticed as a public meeting and a quorum was present throughout.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the seal of the Regents this ____ day of _____, 2009.

Name: _____
Officer of the Regents of the University of Idaho
and the Idaho State Board of Education

Exhibit A

AGENDA ITEM

(attached)

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDED AND RESTATED LOAN AGREEMENT, dated as of the ____ day of _____, 20 09, by and between Lewis-Clark State College, a public body corporate and politic ("Borrower"), whose address is 500 8th Avenue; Lewiston, ID 83501 and WELLS FARGO BANK, N.A., whose address is P.O. Box 917; Lewiston, ID 83501.

WITNESSETH:

WHEREAS, Borrower expects, from time to time, to acquire real property, equipment and make other significant capital expenditures, and to finance the reimbursement thereof under this Agreement; and

WHEREAS, such activity will benefit the Borrower by providing additional student living quarters, parking, accommodate the projected growth and increase in economic activity in the greater Lewiston, ID and surrounding communities; and

WHEREAS, Borrower, in 1998, requested Bank to extend a credit facility to borrower to allow Borrower to reimburse itself for its purchase of such capital items on the terms, covenants and conditions hereinafter set forth, and in 1998 Borrower and Bank executed a Loan Agreement which has subsequently been amended each year; and

WHEREAS, Bank and Borrower wish to execute this Amended and Restated Loan Agreement (the "Loan Agreement") in order to reflect the complete understanding of the parties as of this date;

NOW, THEREFORE, consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto do hereby covenant, contract and agree to and with each other as follows, to-wit:

1. CREDIT FACILITY:

1.01 Commitment. Subject to aggregate limit hereinafter set forth and the terms hereof, the Bank agrees to loan funds to Borrower from time to time, it being Borrower's intention to reimburse its purchase of real property, equipment and other

capital expenditures from the proceeds of this tax-exempt borrowing for use in its college programs. The aggregate principal amount of all such loans shall at no time exceed the sum of Six Million Five Hundred Thousand Dollars (\$6,500,000). It is contemplated that this commitment will be a revolving commitment and that, during the term of the facility, Borrower may borrow against, reduce or repay those advances and re-borrow as needed, subject, always to the Six Million Five Hundred Thousand Dollars (\$6,500,000) aggregate limitation set forth above.

1.02 Method of Making Loans. During the term of this commitment, Borrower may borrow against the commitment as needed to finance capital purchases for its college programs. Borrower may make a single request to include several real property parcels, or equipment which is to be financed by Bank, however, the amount requested by Borrower may be advanced in several advances to meet the payment terms of the equipment or real property purchase agreement(s). The amount of any request/advance shall not exceed the individual purchase price of each specific item being purchased. Each request shall be made to the Bank in writing, shall be signed by the Authorized parties identified on Exhibit A attached hereto, shall specify the amount requested and shall be supported by the following information:

- (a) Complete description of real property, improvements, or equipment being purchased. Amount of specific purchase to include all associated costs (i.e. shipping, installation, etc.);
- (b) Amortization program including designated revenue sources necessary to repay specific request, and an agreement providing terms and conditions relating to the specific borrowing;
- (c) Evidence of State of Idaho – Board of Education approval for specific borrowing;
- (d) IRS Form 8038-G prepared;
- (e) Such other information as Bank may reasonably request.

1.03 Promissory Note. Borrower shall execute a promissory note prepared on Bank forms for the amount of each request not to exceed the total commitment of Six Million Five Hundred Thousand Dollars (\$6,500,000) as evidenced

by a promissory note in the form attached hereof as Exhibit B with such charges as may be agreed to by the parties. Each advance/note to Borrower shall be reviewed in addition to supporting documentation required and shall be due and payable by designated maturity, irrespective of date of advance. Interest on the principal balance of the advances/notes, from time to time outstanding, will be payable at the interest rate(s) specifically detailed in the following paragraph, 1.05. Such interest shall be payable monthly commencing thirty (30) days from the date of this agreement and monthly thereafter, and the final interest payment of any additional interest which has accrued shall be made at the maturity date of the revolving credit commitment.

1.04 Collateral. Subsequent promissory notes/advances made hereunder will be secured by a pledge to Bank of Borrower's gross student housing fees relating to the housing facility being financed, less normal operating and maintenance expenses, and a pledge of Borrower's student facility and special services fees paid by each full time student currently in the amount of \$21.00 per semester, and Borrower hereby pledges and grants a security interest to the Bank in said fees to the Bank for the payment of such note, said pledge to remain in effect until such note is paid in full.

1.05 Interest Rate. The amount committed by Bank to Borrower under this commitment shall have the following interest rate options:

- (a) A variable interest rate tied to Wells Fargo Bank Prime Rate at a rate mutually agreed upon by Wells Fargo Bank and Borrower.
- (b) A fixed interest rate per annum mutually agreed upon by Wells Fargo Bank and Borrower. For the promissory note to be executed for the acquisition of the Clearwater Hall project, the interest rate shall be 4.00% per annum through maturity of _____, 2011. For any other promissory notes, the rate will be fixed at 4.00% for the year ending December 31, 2009.

"Prime Rate" as used herein is the Bank's announced rate of interest used as a reference point from which the cost of credit to customers may be calculated and is subject to change from time to time. Variable interest rate shall be adjusted the same date as the Index changes. The adjustments in interest rate shall be applicable to all promissory notes advanced under the variable option as above provided.

All promissory notes advanced under the fixed rate option shall remain at the same interest rate as the date funds were advanced.

Interest on outstanding balance shall be calculated on the basis of a three hundred sixty-five/three hundred sixty-six (365/366) day year or the actual number of days elapsed.

1.06 Term. This revolving commitment and all promissory notes issued by Borrower shall be for a term of up to two (2) years with the maturity of _____, 2011. Bank shall also have the right, after such review as it deems appropriate, to terminate this commitment as of the ____ day of _____ in the year 2011 (said date being hereafter called an "anniversary date"), by giving written notice of its intention to terminate at least thirty (30) days before the anniversary date on which the termination is to be effective. In the event of such a termination, Bank shall have no obligation to make further advances on the commitment after the anniversary date, but any such termination shall not affect the repayment terms of any advances previously made. The right to terminate herein granted is in addition to, and not in lieu of, any right to terminate or to accelerate by reason of Borrower's default as hereinafter provided.

2. GENERAL WARRANTIES OF BORROWER : Borrower warrants and, as a condition on a continuing basis precedent to each disbursement that:

2.01 Authority. Borrower has the power to execute, deliver and carry out, as the case may be, the terms and provisions of this Loan Agreement, and the promissory note and all documents and instruments in connection with or incidental hereto on their part to be executed, delivered or carried out and has taken all necessary action to authorize the execution, delivery and performance thereof, the borrowing hereunder, the making and delivery of the promissory notes and each and every other document or instrument delivered hereunder. This agreement constitutes, and the promissory notes and other documents and instruments issued or to be issued hereunder when executed and delivered pursuant hereto constitute and will constitute the authorized, valid and legally binding obligations of Borrower and in accordance with

their respective terms under the substantive law of Idaho in the procedures and courts hereinafter described.

2.02 Legal Opinion. Prior to consummation of the contemplated transaction by this Loan Agreement or promissory notes, Bank shall have in its possession, with sufficient time to evaluate, legal opinions from counsel in form acceptable to Bank's counsel addressing:

- (a) Legality of the contemplated transaction, terms and uses of proceeds;
- (b) Tax exempt status of contemplated transaction or promissory notes.

2.03 Financial Statements. Current financial statements furnished to Bank by Borrower are true and correct to the best of Borrower's knowledge and belief, and no substantial adverse change has taken place since the dates thereof.

2.04 No Default. Borrower is not in default under any material provisions of any agreement to which it is a part, and neither the execution and delivery of this Loan Agreement or the promissory notes, or other documents or instruments incidental thereof, nor the consummation of the transactions herein and therein contemplated nor compliance with the terms and provisions hereof or thereof will violate any material provision of law or any applicable regulation or adopted constitution, bylaw, ordinance, regulation, code, program, plan, custom or contract of any order, writ, injunction or decree of any court or governmental department, commission, board, bureau, agency or instrumentality, or will conflict or will be inconsistent with or will result in any breach of any of the material terms, covenants, conditions or provisions of, or constituted default under or result in the creation or imposition of (or the obligation to impose) any lien, charge or encumbrance upon any of the property or assets of Borrower. Except for any further approval of the State of Idaho – Board of Education for the execution of this Loan Agreement or the making of the promissory notes or the performance thereof or specific purchases/expenditures as herein provided, no order, consent, approval or authorization of any governmental or public entity or body, agency, commission or

board is necessary for the consummation of the transactions contemplated by this Loan Agreement.

3. AFFIRMATIVE COVENANTS. Throughout the course of this agreement and until the commitment is fully and finally paid, Borrower agrees to:

3.01 Compliance. Comply with all of the terms, conditions and provisions set forth in this and all instruments or agreements executed to, with or in favor of Bank.

3.02 Books and Records. Maintain adequate books and records of account on a consistent basis in accordance with generally accepted accounting principal (GAAP), and permit any representative of Bank at any reasonable time to inspect, audit and examine books and inspect the property of Borrower. At least annually, and more often if Bank deems it necessary, Bank examiners may examine and audit Borrower's books, and records.

Before making the initial advance under this commitment, Bank may verify, to the extent it deems necessary, through an examination and audit of Borrower's books and records by Bank's examiners, that Borrower is maintaining its respective books and records in accordance with GAAP and that Borrower's representations contained in this Loan Agreement with respect to financial records and reports and Borrower's financial condition are true and correct as of the date of the examination.

3.03 Reports. Borrower shall provide the Bank the following information at the following times:

(a) Within one hundred eighty (180) days after the end of the Borrower's fiscal year, Borrower shall provide to Bank an audited annual financial statement;

(b) Borrower shall furnish such supplemental information or documentation with respect to their financial condition and operations as Bank may, from time to time, reasonably request.

3.04 Conduct of Business. Borrower shall conduct its business and affairs in a prudent manner in compliance with all applicable federal, state, county and municipal laws, rules and regulations.

3.05 Litigation. Borrower shall promptly inform Bank of any litigation against Borrower or any other events which may adversely affect Borrower's business operations or financial condition.

3.06 Notice of Default. Borrower will notify Bank immediately if it becomes aware of the occurrence of any event of default or of any fact, condition or event that only with the giving of notice or passage of time or both, could become an event or default, or of the failure of the Borrower to observe any of its undertakings hereunder.

3.07 Preservation of Historical Data a. In all of its operations contemplated hereunder, the borrower will comply with the applicable provisions of the National Historical Preservation Act of 1966. In the event any historical or archeological items are discovered in the course of those operations, Borrower will cease operations in the area of the discovery and promptly report the discovery to Bank and proper authorities.

3.08 Arbitrage; Special Tax Covenants. The Borrower shall comply with the provisions of this Section unless, in the written opinion of Bank Counsel, such compliance is not required in order to maintain the exemption of the interest on the promissory notes from federal or Idaho income taxation.

The Borrower hereby covenants that it will not make any use of the proceeds of sale of the promissory notes or any other funds of the Borrower which may be deemed to be proceeds of such promissory notes pursuant to Section 148 of the Internal Revenue Code of 1986 (the "Code"), which will cause the promissory notes to be in an "arbitrage bond" within the meaning of said Section. The borrower will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the promissory notes) throughout the term of the promissory notes. All proceeds of any promissory note hereunder shall be immediately disbursed for the intended capital expenditures.

The Borrower hereby further covenants that it will comply with the registration requirements of Section 149 (a) of the Code so long as any portion of the promissory notes is outstanding.

The Borrower hereby further covenants that it will not take any action or permit any action to be taken that would cause the promissory notes to constitute a "private activity bond" under Section 141 of the code and in furtherance thereof, none of the proceeds of the promissory notes will be loaned to, or used in the trade or business of, any entity other than a governmental unit or instrumentality within the meaning of the Code.

The Borrower will file an IRS Form 8038-G for each promissory note it issues within the times required by the Code.

The Borrower hereby designates the promissory notes as "qualified tax-exempt obligation(s)" under the provisions of Section 265(b) of the Code. The Borrower does not expect to issue tax-exempt obligations in an aggregate principal amount in excess of \$10,000,000 during calendar years 2008 and 2009.

3.09 Taxable Obligations; Non-Bank Qualified Obligations. In the event that the interest on any promissory note issued under this Loan Agreement shall be determined by the IRS to be subject to federal income tax, and/or be determined not to be a "qualified tax exempt obligation" under Section 265(b) of the U.S. Internal Revenue Code, as amended, then the rate of such interest shall be increased, effective on the date such interest is subject to federal income tax, or is not a "qualified tax exempt obligation," to the rate, calculated by the Bank, which will produce the same after tax yield to the Bank as the rate of interest set forth in this Loan Agreement and the particular promissory note.

3.10 Financial Covenants:

(a) The ratio of Borrower's total liabilities to net assets shall not exceed 1 to 1 as measured annually based on Borrower's annual independent auditor's report.

(b) Borrower's unrestricted net liquid assets, based on Borrower's annual independent auditor's report, shall not fall below \$5,000,000.

4. NEGATIVE COVENANTS. Throughout the course of this agreement and until this loan is fully and finally paid, Borrower agrees that, without the written consent of Bank first had and received, they will not:

4.01 Use of Loan Proceeds. Use the loan proceeds for any purpose other than the purchase of real property, equipment, improvements, or other capital expenditures.

5. DEFAULTS.

5.01 Events of Default. The occurrence of any one or more of the following events will constitute an event of default hereunder:

- (a) Borrower's failure to pay when due installment of principal or interest or fee payable hereunder or under any promissory note(s).
- (b) Borrower's failure to observe or perform any other obligation to be observed or performed by them hereunder or under any promissory note(s).
- (c) Borrower's failure to observe or perform any obligation to be performed by them under any note(s) between Borrower and any third party.
- (d) Any financial statement, representation, warranty or certificate made or furnished by Borrower to Bank in connection with this agreement, or as inducement to Bank to enter into this agreement, or in any separate statement or document to be delivered hereunder to Bank, is materially false, incorrect or incomplete when due.
- (e) If Borrower admits its inability to pay its debts as they mature, or shall make an assignment for the benefit of any of its creditors.
- (f) The filing of proceedings in bankruptcy, or for reorganization of Borrower or for the readjustment of any of its respective debts, under the Bankruptcy Code, as amended, or any part thereof, or under any other laws, whether state or federal, for the relief of debtors, now or hereafter existing.
- (g) If a receiver or trustee be appointed for Borrower or for any substantial part of their respective assets, or if any proceedings be instituted for the dissolution or the full or partial liquidation of Borrower.

5.02 Termination of Credit Facility. Immediately and without notice upon the occurrence of any event of default specific in Paragraph 4.01, or at any time during

the continuance of such default, Bank may, at its option, terminate all further advances under this commitment.

5.03 Acceleration. Upon the occurrence of any event of default as specified in paragraph 5.01 above, or at any time during the continuance of such event, Bank may give the borrower notice of the default or defaults complained of. Any such notice of default must be in writing and must specify the default or defaults complained of. In the event Borrower fails to cure such default or defaults within thirty (40) days of the date the written notice of default is given to Borrower, Bank may, at its option, without further notice to Borrower, declare all obligations incurred under this commitment, including, but not limited to, the obligations under this Loan Agreement, under the promissory note(s) evidencing any advances made hereunder to be at once due and payable.

5.04 Remedies. After the acceleration, as provided for in paragraph 5.03, Bank shall have, in addition to the rights and remedies given it by this agreement and the promissory note(s), all those allowed by all applicable laws.

6. GENERAL:

6.01 Construction. The provisions of this agreement, promissory note(s) or other evidence of liability for said liability held by the Bank, shall be construed as complimentary to each other.

6.02 Further Assurance. From time to time, borrower will execute and deliver to Bank such additional documents and will provide such additional information as Bank may reasonably require to carry out the terms of this agreement and be informed of Borrower's status and affairs.

6.03 Enforcement and Waiver by Bank. Bank shall have the right at all times to enforce the provisions of this agreement and the promissory notes in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of Bank in refraining from so doing at any time or times. The failure of Bank at any time or times to enforce its rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner.

modified or waived the same. All rights and remedies of Bank are cumulative and concurrent and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

6.04 Expenses of Bank. Borrower will, on demand, reimburse Bank for all reasonable expenses, including the reasonable fees and expenses of legal counsel for Bank, incurred by Bank in connection with the preparation, administration, amendment, modification or enforcement of this agreement and the promissory notes, and the collection or attempted collection of the promissory notes, whether any default is ultimately cured or whether Bank is obligated to pursue its remedies hereunder, including such fees and expenses incurred before legal action, during the pendency of any such legal action and continuing to all such fees and expense in connection with any appeal to higher courts arising out of transactions associated herewith, except that if litigation is instituted and Borrower is the prevailing party in such litigation, Borrower, rather than Bank, shall be entitled to recover its reasonable attorney's fees and costs of suit. The obligations of this section shall survive the making of this agreement and the note, including any documents or amendments subsequently executed.

6.05 Notices. Any notices or consents required or permitted by this agreement shall be in writing and shall be deemed delivered or given when delivered in person or when deposited in the U.S. Mail, certified mail, postage prepaid, return receipt requested, or sent by telegraph. Notices shall be addressed as follows, unless such address is changed by written notice hereunder:

If	to Borrower:	Lewis-Clark State College
500		8 th Avenue
Lewiston,		ID 83501

If	to Bank:	Wells Fargo Bank, N.A.
Attn:		Ken Schumacher
P.O.		Box 917
Lewiston,		ID 83501

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other. All notices or demands sent in accordance with this Section shall be deemed received on

the earlier of the date of actual receipt or five (5) days after the deposit thereof in the mail.

6.06 Binding Effect, Assignment and Entire Agreement. This agreement shall inure to the benefit of, and shall be binding upon, the respective successors and permitted assigns of the parties hereto. Borrower has no right to assign any of the rights or obligations hereunder without the prior written consent of Bank. This agreement, and the documents executed and delivered pursuant hereto, constitute the entire agreement between the parties and may be amended only by a writing signed on behalf of each party.

6.07 Severability. If any provision of this agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

6.08 Arbitration.

(a) Arbitration - Binding Arbitration. Bank and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Section 6.08 (the "Arbitration Program"). A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to this Loan Agreement or any related agreement incorporating this Arbitration Program (the "Documents"), or any past, present, or future loans, transactions, contracts, agreements, relationships, incidents or injuries of any kind whatsoever relating to or involving Business Banking, Regional Banking, or any successor group or department of Bank. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY.

(b) Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the

AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing this Loan Agreement. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. Arbitration may be demanded at any time, and may be compelled by summary proceedings in court. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief. The arbitrator shall award all costs and expenses of the arbitration proceeding. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(c) No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

(d) Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator must be a practicing attorney or a retired member of the state or federal judiciary, in either case with a

minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable State Rules of Civil Procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

(e) Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the Dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

(f) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. The resolution of any Disputes shall be determined by a separate arbitration proceeding and such Dispute shall not be consolidated with other disputes or included in any class proceeding. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

(g) Real Property Collateral; Judicial Reference. Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Idaho, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable.

6.09 IDAHO STATE NOTICE. Under Idaho Law (§ 9-505(5) I.C.) (if and to the extent applicable hereto), a promise or commitment to lend money or to grant credit in an original principal amount of \$50,000 or more, made by a person or entity engaged in the business of lending money or extending credit, must be in writing or such a promise or commitment is not valid.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement as of the day and year first above written.

Lewis-Clark State College

By: _____

Its: _____

Wells Fargo Bank, N.A.

By: _____

Its: _____

Exhibit A

Authorized Parties

Bursar of the College.

Exhibit B
Form of Promissory Note
(attached)

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

UNIVERSITY OF IDAHO

SUBJECT

Idaho Center for Livestock and Environmental Studies (ICLES) – Progress Report and Request for Approval to Request Legislative Concurrent Resolution

REFERENCE

October 2006	Regents approval of an additional Line Item for the Agricultural Research and Extension Service for FY 2008 in the amount of \$10 million General Funds, for a Research Dairy Facility.
January 2007	Regents approval of the request by the University of Idaho to seek a one-time appropriation of general funds for Agriculture Extension Service for FY 2008 in the amount of \$10 million from the Idaho Legislature, and to seek modification of the federal Morrill Act for the purpose of allowing the State of Idaho to apply real estate assets in the Agriculture College Endowment for acquisition of real estate, buildings and fixtures for experimental farms and provide these assets to the University of Idaho for use as the endowment beneficiary.
April, 2007	Legislature appropriates \$10 million for ICLES and joint ISDA/IDFG facilities – contingent upon revisions to Morrill Act to allow use of Ag Endowment assets, and requiring final recommendation from the Governor and approval from the Regents prior to release of funds.
July, 2007	Congress passes revision to Idaho Admissions Act to allow use of Ag Endowment assets.
January, 2008	Regents approval for planning expenditure and instruction to report on project progress at future meetings.
April 1, 2008	Senate Bill 1498 passed by legislature and signed into law releasing the \$10 million appropriation to the Board for application to the ICLES.
January 26, 2009	Regents consideration of proposed concurrent resolution for use of the Idaho State Building Authority – matter postponed to February meeting.

BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.
Construction Projects

Section 67-1410, Idaho Code: Procedure prior to financing building
developments or building projects

BACKGROUND/DISCUSSION

This matter comes to the Board as a continuation of the request for approval for the University to seek a concurrent resolution of the Legislature authorizing the Idaho State Building Authority (Building Authority) to enter into a contract with the University for financing and developing some or all of the proposed research dairy including the proposed joint laboratory facility for the University's Cain Veterinary Research Center and the Idaho State Department of Agriculture.

The concurrent resolution is a statutory requirement (Idaho Code Section 67-6410) for the Building Authority in order for it to formally contract with the University for financing and developing any portion of the project. The proposed concurrent resolution does not in any fashion negate the Regents oversight of the University's contracting process, including the Regents right to approve any financing and development agreement that the University and the Building Authority may propose.

It is also the position of the Division of Public Works, where the Legislature's prior \$10 million appropriation for this project currently rests, that in order for those funds to be available for use in accordance with any approved contract between the University and the Building Authority, that the resolution should authorize transfer of the funds to the Authority for this use. Once again, however, transfer of those funds will not occur unless and until there is an approved contract between the University and the Building Authority for work on the project, and expenditure of those funds will remain subject to approval of the Regents and the terms of the approved contract.

Attached hereto is a draft of the proposed concurrent resolution as well as a more detailed summary of the full project, including a description of the need for utilization of the Building Authority for the ultimate build-out or acquisition of the project.

IMPACT

There will be no additional fiscal impact from this agenda item. The authority requested by the University is only to seek the necessary concurrent resolution. The resolution, if passed, will only authorize the Building Authority and the University to propose a development agreement to the Regents for approval at a later meeting. Only upon Regents' approval of any such proposed agreement will funds be transferred to the Building Authority and expended through the development agreement.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

ATTACHMENTS

Attachment 1 – Proposed Concurrent Resolution form
Attachment 2 – Project Summary

Page 5
Page 21

STAFF COMMENTS AND RECOMMENDATIONS

At the August 2007 meeting, the Board directed staff to continue with the Governor's legislative process to bring the legislative language and amendments to the Board at its October meeting for final approval. Subsequently, the University determined that it was not ready for build-out of the facility and would not be in a position to need the resolution in 2008. The University now anticipates build-out in 2009 and so is requesting the concurrent resolution in the 2009 Legislative session. The University must still return to the Board for approval of any proposed agreement arising out of the concurrent resolution.

Staff recommends approval.

BOARD ACTION

A motion authorizing the University of Idaho to seek a concurrent resolution of the Idaho Legislature pursuant to Idaho Code Section 67-6410 in substantially the form as attached to the Board materials. Any agreement or agreements between the University of Idaho and the Idaho State Building Authority, as contemplated in the concurrent resolution, shall be submitted to the Board of Regents for approval at a future meeting, prior to the University entering into any such agreement and prior to the transfer of any funds from the Division of Public Works to the Building Authority.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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A CONCURRENT RESOLUTION
STATING FINDINGS OF THE LEGISLATURE AND PROVIDING APPROVAL FOR
THE UNIVERSITY OF IDAHO TO ENTER INTO AGREEMENTS WITH THE IDAHO
STATE BUILDING AUTHORITY TO FINANCE AND DEVELOP FACILITIES TO BE
KNOWN AS THE CENTER FOR LIVESTOCK AND ENVIRONMENTAL STUDIES.

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

WHEREAS, in 2007 the legislature appropriated funds to the Idaho Department of Public Works for the University of Idaho Center for Livestock and Environmental Studies (now called the Idaho National Center for Livestock and Environmental Studies), subject to certain contingencies; and

WHEREAS, in 2008 the Legislature recognized that the contingencies had been met; and

WHEREAS, the Idaho National Center for Livestock and Environmental Studies will consist of a full scale operating dairy and beef feedlot providing a research platform for the University of Idaho, as well as a companion laboratory facility to be used jointly by the University of Idaho Caine Veterinary Teaching Center and by the Idaho Department of Agriculture for animal diagnostics, and;

WHEREAS, the Idaho National Center for Livestock and Environmental Studies is to be developed for the University of Idaho, acting in conjunction with the Idaho Department of Agriculture and the State Board of Land Commissioners (Land Board), utilizing a combination of (a) funds appropriated by the Legislature in 2007, (b) funds to be provided by the Idaho Dairy Industry, and (c) proceeds to be realized from future exchanges and sales of lands and improvements held in the Agriculture College Endowment and lands and improvements currently held by the University of Idaho and occupied by the University of Idaho Caine Veterinary Teaching Center, and;

WHEREAS, the Legislature has found that it is in the public interest and to the economic benefit of the state of Idaho to provide for adequate governmental facilities through the Idaho State Building Authority, pursuant to Section 67-6404, Idaho Code and;

WHEREAS, it is in the best interest of the state for the Idaho State Building Authority to finance and provide for development of all or portions of the Idaho National Center for Livestock and Environmental Studies for the University of Idaho, the Agriculture College Endowment, and the Idaho Department of Agriculture.

NOW, THEREFORE, BE IT RESOLVED by the members of the First Regular Session of the Sixtieth Idaho Legislature, the House of Representatives and the Senate concurring therein, that the Legislature hereby authorizes and provides approval

for the University of Idaho, for itself or in conjunction with the State Board of Land Commissioners on behalf of the Agriculture College Endowment, and the Idaho Department of Agriculture to enter into such agreements with the Idaho State Building Authority, under such terms and conditions as may be reasonable and necessary, to provide for the financing and development of the Idaho National Center for Livestock and Environmental Studies as described above, such contracting to be done in compliance with the policies of the State Board of Education and Board of Regents of the University of Idaho.

BE IT FURTHER RESOLVED that this resolution constitutes authorization to enter into such agreements pursuant to and in accordance with the provisions of Section 67-6410, Idaho Code.

BE IT FURTHER RESOLVED that this resolution constitutes authorization for the Idaho Department of Public Works to release to the Idaho State Building Authority, the funds in the amount of ten million (\$10,000,000) dollars appropriated by the Legislature in 2007 for the Idaho National Center for Livestock and Environmental Studies to be utilized for development of the Center pursuant to the terms of the agreements reached between the University of Idaho and the Idaho State Building Authority.

Statement of Purpose / Fiscal Impact

Statement of Purpose

RS*****

This resolution provides authorization for the University of Idaho, for itself or in conjunction with the State Board of Land Commissioners, and Department of Agriculture to enter into agreements with the Idaho State Building Authority to finance, acquire and develop, the Idaho National Center for Livestock and Environmental Studies, including a companion joint laboratory facility, in accordance with Section 67-6410, Idaho Code. The Center and joint lab facility will enhance the University's research capabilities in the dairy and cattle feeding sectors of the State's agricultural economy, and will allow for a synergistic combination of the animal diagnostic needs of the State Department of Agriculture with the University's Caine Veterinary Teaching Center.

Fiscal Note

This resolution authorizes the University of Idaho, for itself or in conjunction with the State Board of Land Commissioners, and Department of Agriculture to enter into agreements with the Idaho Building Authority to acquire, finance and develop the Center and its facilities at an estimated construction cost of approximately \$37 million. Funds from the 2007 Legislature's \$10 million appropriation to the Building Fund Advisory Council for the Center shall be applied together with financing to be provided by the Idaho State Building Authority. The Idaho State Building Authority will be paid from annual rents derived from the joint lab facility and revenues

from the operating dairy and feedlot until such time as future exchanges and sales of real estate in the Agriculture College Endowment and other lands and improvements owned by the University of Idaho are sufficient to acquire the entire facilities from the Authority.

Contact: *****

Statement of Purpose/Fiscal Note

Bill No.

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Introduction and Project History

The INCLES was initially envisioned as a collaborative effort between the University of Idaho and the Idaho Dairy and Livestock industries to create a full scale operating dairy located within the heart of Idaho's major dairy and livestock feeding area to act as the research platform for a world-class university research facility for livestock and environmental issues associated with large animal feeding operations. The initial budgeted cost was \$25 million. To fund this, the Dairy Industry pledged \$5 million, the University sought and obtained a legislative appropriation of \$10 million, and the University, in conjunction with the State Board of Land Commissioners (Land Board) sought and obtained federal legislation which now allows the Idaho's Agricultural College Endowment (Endowment), established at statehood under the Morrill Act of 1862, to use its assets, including real estate it currently owns, to acquire land and real estate improvements for the INCLES research center and to furnish them directly to the University for its use. It is from these endowment assets that the University looked for the final \$10 million of the original budgeted cost.

The University, in discussions with the Land Board and the Department of Lands, identified a 280 acre parcel of endowment property in Canyon County as the parcel to be utilized for this project. This property is held by the endowment, but used by the University as a small scale teaching and research dairy. The University holds an easement for this purpose which remains as long as the University is using the property for agricultural research and teaching. An aerial view of the Canyon county property was included in earlier agenda materials and is attached hereto as Exhibit "A".

The project has now grown by the value of a proposed joint laboratory facility for the University's Caine Veterinary Teaching Center (Caine Center) and the Idaho Department of Agriculture which was incorporated into the Governor's budget for the \$10 million legislative appropriation approved by the 2007 Legislature. This change has also made available the property in Canyon county where the current Caine Veterinary Teaching Center is currently located (also identified in Exhibit "A") which can be marketed in conjunction with the endowment lands to offset some of the additional project costs resulting from addition of the joint laboratory facility.

An estimated allocation of resources, including the level of resources needed from the Agriculture College endowment (based on new construction of the INCLES research center and the joint laboratory) was attached to earlier agenda materials and is attached hereto as Exhibit "B".

However growth in the project scope and the addition of the Caine Center lands do not change the method for application of the Agriculture College endowment lands as part of the funding of the project. It is this method for how the University and the Endowment can utilize the endowment assets for acquisition of the Research Center that gives rise to the potential use of the Idaho State Building Authority for financing and acquisition of a portion of the real estate and improvements necessary for the INCLES research center. It is for this purpose that the University is requesting the Regents approval to seek the concurrent resolution.

The idea of a concurrent resolution to allow the University to work with the Building Authority is not new. The Regents previously approved the legislative idea of a concurrent resolution at the Board meeting held August 9-10, 2007 at College of Southern Idaho, with the instructions to the University to bring the final legislation back to the Board for approval. The University determined that it would not be in a position to need the resolution in 2008 and so did not pursue it until this 2009 session. The agenda

description, minutes of the motion of approving the idea form and the idea form itself are attached hereto as Exhibit "C".

The Building Authority's ability to finance and acquire the completed real estate component of the research center (including any necessary construction of new buildings and improvements that are part of the real estate component) enables the Endowment to then exchange the Canyon county real estate for the real estate portion of the completed facility, thereby utilizing the endowment's equity in the Canyon county real estate to acquire the completed facility. The Endowment must exchange real estate for real estate, consequently the research facility must be complete when the exchange occurs.

The University is investigating the potential for using a lease-purchase option for acquisition of an existing dairy. This could reduce or possibly eliminate the need for Building Authority financing the operating dairy portion of the research center. However, until there is a final determination in that regard, the potential need for using the Building Authority exists. For this reason the University wishes to pursue the concurrent resolution in the 2009 regular session.

Transfer of Appropriated Funds to the Building Authority.

The legislative appropriation of \$10 million dollars, originally made by the 2007 legislature, is held in the Permanent Building Fund, under the authority of the Department of Public Works. The proposed research center is a capital project funded in significant part with state dollars appropriated through the Permanent Building Fund. Permanent Building Fund monies are expended on capital projects either through the Department of Public Works, or, if authorized by a concurrent resolution of the Legislature, by the Idaho State Building Authority. In that regard the University wishes to utilize the Building Authority for this purpose. The Department of Public Works has no objection to this, but requires a concurrent resolution authorizing release of funds to the Building Authority before any of those funds can be utilized by the Building Authority for the project.

In any event, any use of the funds for this project will remain subject to the approval of the Board of Regents in the same fashion as any other capital project of the University. No transfer of any of these funds will occur until the Regents have approved the initial development agreement between the University and the Building Authority. At that point, the University and the Building Authority could expend funds for planning up to the \$750,000 previously approved by the Board. Any further expenditure of funds and any activity beyond planning will first come to the Regents for review and approval in the same fashion as any other capital project of the University. In the event, the funds are not used for the INCLES project, the agreement will call for their return to the Permanent Building Fund pursuant to the language of the original appropriation.

Exhibit "A"
Aerial view of Canyon County Property

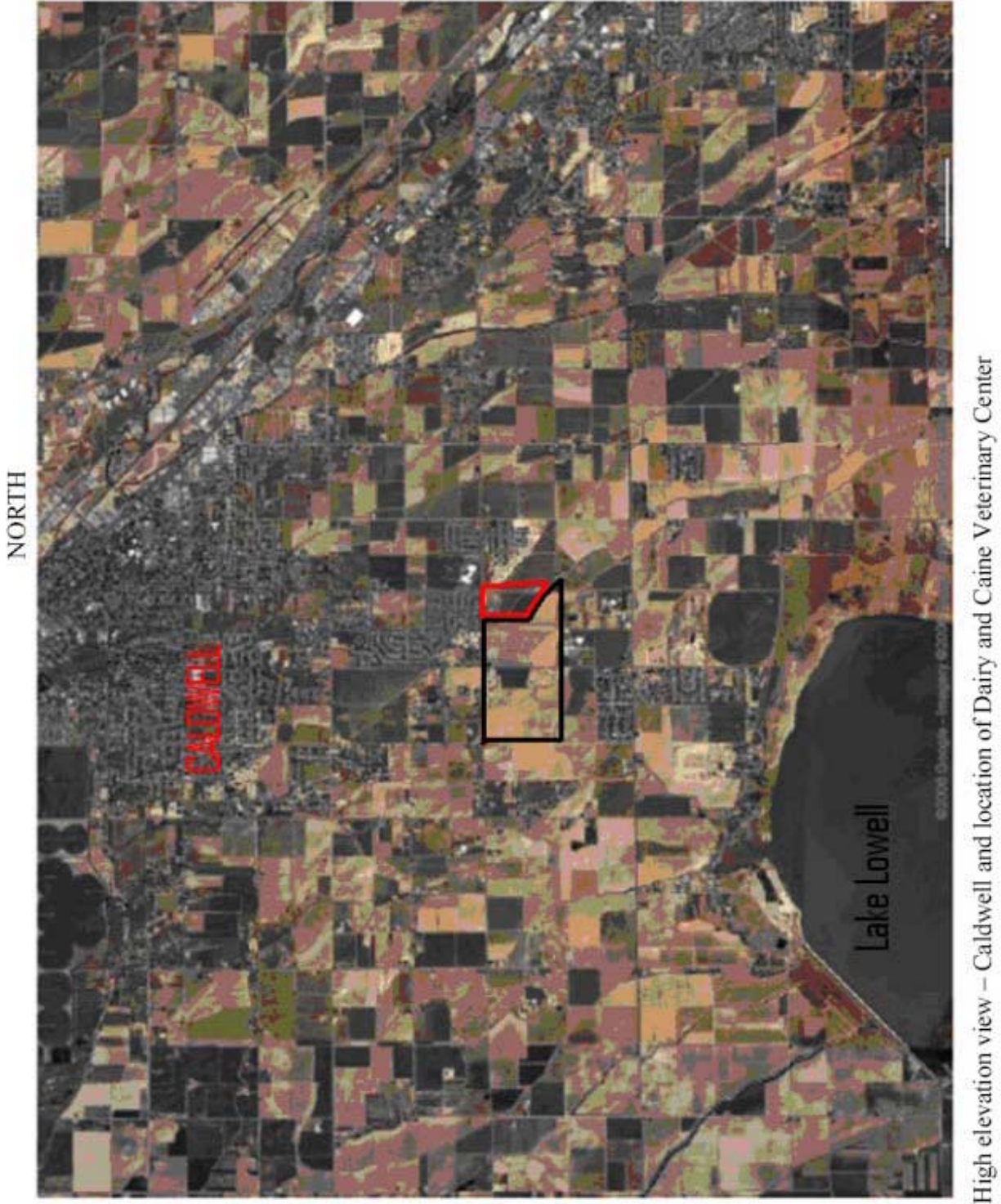


Exhibit "B"
Estimated allocation of resources

<u>Cost Projections Minimum Dairy w/ Caine Center and Joint Labs</u>		
Land/Buildings/Improvements	Dairy	Caine/ISDA Labs
• Research Dairy Land. Buildings & Improvements	\$ 16,014,493.00	
• Joint Caine/ISDA Lab Facility Land & Bldg		\$ 9,781,690.00
Equipment, Cows and Reserve		
• Dairy Equipment, Cows & Reserve	\$ 10,964,100.00	
• Caine Lab Equipment		\$ 250,000.00
Total per Facility	\$ 26,978,593.00	\$ 10,031,690.00
Total – Both Facilities	\$ 37,010,283.00	

<u>Resources</u>	
• Industry - Milking Herd	\$ 3,650,000.00
• Industry - cash balance	\$ <u>1,350,000.00</u>
Total Industry Commitment	\$ 5,000,000.00
• State of Idaho Cash	\$ 10,000,000.00
Total Industry & Appropriations	\$ 15,000,000.00
• Ag College Endowment Land Equity - initial discussion	\$ 10,000,000.00
• Regents - Caine Property Equity	\$ <u>2,000,000.00</u>
Total Real Property Equity Identified	\$ 12,000,000.00
Total Resources Identified	\$ 27,000,000.00
• Additional Land Equity or other resources needed (1)	\$ 10,010,283.00
(1) Other funds could come from any combination of increased value of Caine property over time, additional equity from the Agriculture College endowment, bonding based on rents to be paid by non-University tenants, additional appropriation for State Laboratories or other means.	

<u>Application of Cash Resources</u>	<u>Cash Application</u>	<u>Cash Balance</u>
Beginning cash balance		\$ 11,350,000.00
Dairy Equipment, Cows & Reserve (less Milking herd)	\$ 7,314,100.00	\$ 4,035,900.00
Caine Equipment	\$ 250,000.00	\$ 3,785,900.00
Cash to Land/Buildings/Improvements	\$ 3,785,900.00	\$ -

Detailed Cost Breakdown – Research Dairy

Type	Low Estimate	Cows/Eq/WrkCap	Real Estate
Free Stalls	\$ 800,000		\$ 800,000
Ventilated Freestall	\$ 800,000		\$ 800,000
Open Lots	\$ 385,000		\$ 385,000
Special Needs			
Hospital Area	\$ 99,007		\$ 99,007
Maternity Area	\$ 82,304		\$ 82,304
Small Research Barns	\$ 200,000		\$ 200,000
Calan Gates	\$ 100,000	\$ 100,000	
Grow Safe	\$ 150,000	\$ 150,000	
Beef Cows	\$ 150,000	\$ 150,000	
Data Ranger	\$ 33,500	\$ 33,500	
Heifer Operation			
calf barn	\$ -		
calf hutches	\$ 45,000		\$ 45,000
calf weaning	\$ 24,000		\$ 24,000
small lots	\$ 72,000		\$ 72,000
heifer pens	\$ 30,000		\$ 30,000
heifer pens	\$ 195,000		\$ 195,000
bred heifers	\$ 245,000	\$ 245,000	
Double 16 Parlors			
Structure	\$ 1,400,000		\$ 1,400,000
Equipment	\$ 1,564,600	\$ 1,564,600	
Generator	\$ 50,000	\$ 50,000	
Double 8 Parlor			
Structure	\$ 450,000		\$ 450,000
Equipment	\$ 443,000	\$ 443,000	
Feeding Center			
Commodity barn	\$ 230,000		\$ 230,000
Feed Pad Asphalt	\$ 375,000		\$ 375,000
Mixer	\$ 15,000	\$ 15,000	
Scale 105'	\$ 60,000	\$ 60,000	
Feed Trucks	\$ 390,000	\$ 390,000	
Loaders	\$ 300,000	\$ 300,000	
Tractors	\$ 260,000	\$ 260,000	
Grading			
site	\$ 760,000		\$ 760,000
ponds	\$ 342,000		\$ 342,000
Waste System			

Concrete Cells	\$	147,767		\$	147,767	
Waste Treat Build	\$	252,315		\$	252,315	
Gasifier	\$	400,000	\$	400,000		
pits	\$	85,400			\$	85,400
composting asphalt	\$	150,000		\$	150,000	
pumps	\$	8,000	\$	8,000		
Vacuum Wagon	\$	85,000	\$	85,000		
Skid Steer Loaders	\$	60,000	\$	60,000		
Perimeter Fence	\$	119,600			\$	119,600
Equipment Storage	\$	210,000			\$	210,000
Roads	\$	132,000			\$	132,000
Cows (in kind)	\$	3,650,000	\$	3,650,000		
Land	\$	5,000,000			\$	5,000,000
Laboratory (lab)	\$	1,732,500			\$	1,732,500
Laboratory (office)	\$	405,600			\$	405,600
Shop/Maintenance/ Technical Instruction	\$	600,000			\$	600,000
Housing	\$	-				
Wells	\$	40,000			\$	40,000
Utilities	\$	250,000			\$	250,000
Working Capital Reserve	\$	3,000,000	\$	3,000,000		
Design/Permitting	\$	250,000			\$	250,000
Landscaping	\$	100,000			\$	100,000
Total Dairy costs	\$	26,728,593	\$	10,964,100	\$	15,764,493
Joint Caine/ISDA Lab Facility Land & Bldg	\$	10,031,690	\$	9,781,690.00 ¹		
					\$	250,000
Total Combined Project	\$	36,760,283	\$	20,745,790	\$	16,014,493
		All		Cows/Eq/WrkCap		Real Estate

¹ See attached cost breakdown for joint Caine/ISDA lab Facility

Detailed Cost Breakdown – Joint Lab**CLES Laboratory Facilities**

U of I Veterinary Research	Square Feet	Cost/sf	Cost
Lab Bench Space	4,460	\$ 325.00	\$ 1,449,500.00
AutoClav	200	\$ 325.00	\$ 65,000.00
Dish Washing	200	\$ 325.00	\$ 65,000.00
Clean Room	200	\$ 325.00	\$ 65,000.00
Equip Room	200	\$ 325.00	\$ 65,000.00
Microscope	200	\$ 325.00	\$ 65,000.00
Dark Room	200	\$ 325.00	\$ 65,000.00
Tissue Culture	250	\$ 325.00	\$ 81,250.00
Gas Cylinder Storage	140	\$ 325.00	\$ 45,500.00
Storage	490	\$ 325.00	\$ 159,250.00
Offices/halls	4,222	\$ 200.00	\$ 844,400.00
Wildlife Lab	1,000	\$ 325.00	\$ 325,000.00
Microbiology	500	\$ 325.00	\$ 162,500.00
Lab Animals	400	\$ 325.00	\$ 130,000.00
Clinical Pathology	660	\$ 325.00	\$ 214,500.00
Student Space	624	\$ 200.00	\$ 124,800.00
Caine Clinic	7,150	\$ 150.00	\$ 1,072,500.00
		sub total	\$ 4,999,200.00
ISDA Diagnostics			
Milk Lab	960	\$ 325.00	\$ 312,000.00
Virology	840	\$ 325.00	\$ 273,000.00
PCR	750	\$ 325.00	\$ 243,750.00
Microbiology	500	\$ 325.00	\$ 162,500.00
Brucella/BL3	600	\$ 500.00	\$ 300,000.00
Storage	350	\$ 200.00	\$ 70,000.00
Offices	720	\$ 200.00	\$ 144,000.00
		sub total	\$ 1,505,250.00
ISDA/Caine Integrated Space			
Histology	400	\$ 325.00	\$ 130,000.00
Cooler	400	\$ 325.00	\$ 130,000.00
Freezer	400	\$ 325.00	\$ 130,000.00
Media & Preparation	880	\$ 325.00	\$ 286,000.00
		sub total	\$ 676,000.00
ISDA/Caine Shared Space			
Lobby/Reception	1,360	\$ 200.00	\$ 272,000.00
Library	960	\$ 200.00	\$ 192,000.00
Classroom	1,800	\$ 200.00	\$ 360,000.00
Conference Room	375	\$ 200.00	\$ 75,000.00
Break Room	432	\$ 200.00	\$ 86,400.00
Rest/Locker Rooms	960	\$ 200.00	\$ 192,000.00
Offices	1,480	\$ 200.00	\$ 296,000.00
Storage	1,147	\$ 200.00	\$ 229,400.00
Mechanical/Dock	1,000	\$ 150.00	\$ 150,000.00
Incinerator	1	\$ 250,000.00	\$ 250,000.00
		sub total	\$ 2,102,800.00
Misc. Items			
Perimeter Fence	5,280	\$ 13.00	\$ 68,640.00
Roads	1,320	\$ 15.00	\$ 19,800.00
Wells	1	\$ 50,000.00	\$ 50,000.00
Utilities	Unknown	\$ 100,000.00	\$ 100,000.00
Landscaping		\$ 60,000.00	\$ 60,000.00
Land in acres	40	\$ 5,000.00	\$ 200,000.00
Totals	44,052	\$ 222.05	\$ 9,781,690.00

Exhibit "C"

August 2007 SBOE Meeting

Agenda Write-up, Minutes of the Motion Approving Idea Form - Idea Form

Agenda Write-up

Idaho Center for Livestock and Environmental Studies (from UI)

The University of Idaho anticipates passage of legislation in Congress which will allow use of Agriculture College Endowment Assets for construction of the ICLES research facility. The 2007 Legislature appropriated the sum of \$10 million for use in construction of this facility and related facilities for the Idaho Department of Agriculture and Idaho Fish and Game. Upon passage of the legislation in Congress, the University will request final approval from the Legislature for commencement of the project. In addition, it is likely that the ultimate tool for financing full construction will be the Idaho Building Authority, which will require a concurrent resolution of both houses of the Idaho Legislature.

Meeting Minutes

Idaho Center for Livestock and Environment Studies

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

PLANNING, POLICY & GOVERNMENTAL AFFAIRS
AUGUST 9–10, 2007

LEGISLATION IDEA SUBMITTAL FORM <i>One Idea Per Form, Please</i>		LIS#
Agency: University of Idaho		
Contact Person: Rich Garber	Phone: 334-2292 E-mail: rgarber@uidaho.edu Fax: _____	
Brief description of legislation idea and how it will "solve the problem": Approval for Idaho Center for Livestock and Environmental Studies (ICLES). The University of Idaho anticipates passage of legislation in Congress which will allow use of Agriculture College Endowment Assets for construction of the ICLES research facility. The 2007 Legislature appropriated the sum of \$10 million for use in construction of this facility and related facilities for the Idaho Department of Agriculture and Idaho Fish and Game. Upon passage of the legislation in Congress, the University will request final approval from the Legislature for commencement of the project. In addition, it is likely that the ultimate tool for financing full construction will be the Idaho Building Authority, which will require a concurrent resolution of both houses of the Idaho Legislature.		
Fiscal impact of legislation idea: The proposed legislation will authorize expenditure of the previously appropriated \$10 million and if necessary seek legislative approval for financing of the project by the Idaho Building Authority.		
Has this idea or a similar idea been submitted in the past three years? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If so, please state year and bill number: 2007 Legislature - HB325 - appropriation		
FOR DFM AND GOVERNOR'S OFFICE USE		
Policy Advisor Name: Review completed: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved <input type="checkbox"/> Hold for further information		
Analyst Name: Review completed: <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved <input type="checkbox"/> Hold for further information		
Comments: 		

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BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009

SUBJECT

First reading Board Policy V.T. Fee/Tuition Waivers

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.T.

BACKGROUND / DISCUSSION

The Council on Academic Affairs and Programs (CAAP) has discussed revising the policy on fee and tuition waivers to allow the institutions more autonomy in directing waivers toward strategic initiatives. The current policy imposes limits on nonresident waivers to 1% of student FTE for disadvantaged or deserving students and to 2% of student FTE for high-tech waivers. The institutions have expressed their need to have the flexibility to use nonresident waivers to attract different types of nonresident students that from time to time may not coincide with the types of waivers specified in current policy.

In addition to the 1% and 2% waivers mentioned above, the proposed changes to the Fee/Tuition Waivers policy incorporate the reciprocity issues into the waiver policy. The areas impacted by these policy changes are:

- Reciprocity with the State of Washington
- Reciprocity with the State of Oregon
- Reciprocity with Utah State University
- College of Mines
- National Student Exchange Program
- Western Interstate Commission for Higher Education (WICHE)

Reciprocity agreements with Washington, Oregon, Utah State University and the University of Idaho agreement with the College of Mines are currently handled separately. These other states no longer depend on the reciprocity agreements to manage their tuition waivers. Washington, for example, delegates that discretion directly to the institutions. Replacing reciprocity with a broader waiver policy would match the approach used by other states and allow the Board to more directly and transparently manage out-of-state tuition waivers. The proposed policy does call for enhanced reporting to the Board on an annual basis so that the Board may review waivers and provide further guidance if desired.

IMPACT

The revised policy will define a waiver as a reduction of some or all of the approved fees/tuition specified in Section V, Subsection R, - Establishment of Fees attributable to a particular student as the cost for attending an Idaho institution of higher education.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

The purpose of waivers will stipulate that waivers will be limited to the achievement of the following strategic objectives:

- The enhancement of education opportunities for Idaho residents;
- To promote mutually beneficial cooperation and development of Idaho communities and nearby communities in neighboring states;
- To contribute to the quality of educational programs; and
- To assist in maintaining the cost effectiveness of auxiliary operations in Idaho institutions of higher education.

The proposed policy revisions would consolidate the 1% and 2% waivers with all waivers except for the National Student Exchange Program and WICHE under a category labeled "Waivers to Meet Other Strategic Objectives" not to exceed 6% of student FTE. Attachment 3, page 3, shows the current Fee/Tuition Waiver Report. It breaks out the 1% and 2% waivers by the dollars waived and calculates the percentage of student FTE by dividing the dollars waived by the student FTE and the nonresident fee. The waivers for reciprocity and mines are shown below the 1% and 2% waivers. The National Student Exchange Program and WICHE waivers are listed after the 1% and 2% waivers.

Attachment 4, page 5, shows the proposed Fee/Tuition Waiver Report after consolidating the 1% and 2% waivers with the reciprocity and mines with a total limit of 6% of student FTE. Instead of restricting waivers to specific types of students or disciplines, the revised policy allows a waiver to be granted to a nonresident student in an institutional program in order to meet a strategic state and/or institutional need, as identified by the chief executive officer of the institution and when an institution can demonstrate that its use is financially responsible and meets the financial goals of the institution.

Finally, the revised policy clarifies that students provided waivers under the Western Interstate Commission for Higher Education, Western Undergraduate Exchange (WUE) can be counted in the enrollment workload adjustment calculation so long as the WUE waivers do not exceed the limits approved for an institution by the Board. The current limits, shown below, were established several years ago. The institutions and Board staff will review these limits and propose any changes for Board action.

Boise State University	225 students
Idaho State University	225 students
University of Idaho	280 students
Lewis Clark State College	70 students

**BUSINESS AFFAIRS AND HUMAN RESOURCES
FEBRUARY 26-27, 2009**

ATTACHMENTS

Attachment 1 – Revised Policy – Redline	Page 5
Attachment 2 – Revised Policy - Clean	Page 9
Attachment 3 – Current Tuition/Fee Waiver Report	Page 11
Attachment 4 – Proposed Tuition/Fee Waiver Report	Page 12
Attachment 5 – Reciprocity & Tuition Waiver Report	Page 13

STAFF COMMENTS AND RECOMMENDATIONS

The revised policy for Fee/Tuition Waivers will allow the institutions more latitude in enrollment management by removing the restrictions of the 1% for disadvantaged and deserving students and the 2% for high-tech disciplines. Eliminating specific references to reciprocity agreements and incorporating the amounts into the increased waiver cap permits institutions to honor existing reciprocity agreements as they transfer to a single waiver process. The Board may at its discretion require additional information as well as request waiver plans from institutions.

BOARD ACTION

A motion to approve the first reading of Board Policy V.T. – Fee/Tuition Waivers.

Moved _____ Seconded _____ Carried Yes _____ No _____

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Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: T. Fee/Tuition Waivers

April 2002

T. Fee/Tuition Waivers

1. Purpose and Authority for Fee/Tuition Waivers

a. Definition

A fee/tuition waiver shall mean a reduction of some or all of the approved fees/tuition specified in Section V, Subsection R, attributable to a particular student as the cost for attending an Idaho institution of higher education.

b. Purpose

The purpose in authorizing fee/tuition waivers includes but is not limited to the achievement of the following strategic objectives:

- (i) The enhancement of education opportunities for Idaho residents;
- (ii) To promote mutually beneficial cooperation and development of Idaho communities and nearby communities in neighboring states;
- (iii) To contribute to the quality of educational programs; and
- (iv) To assist in maintaining the cost effectiveness of auxiliary operations in Idaho institutions of higher education.

c. Authority

An institution shall not waive any of the applicable fees/tuition specified in Section V, Subsection R., unless specifically authorized in this subsection. Special fees are not defined as a fee waiver.

2. Waiver of Nonresident Fees/Tuition

Nonresident fees/tuition may be waived for the following categories:

a. Graduate/Instructional Assistants

Waivers are authorized for students employed as graduate assistants appointed pursuant to Section III, Subsection P.11.c.

b. Students Participating in Intercollegiate Athletics

For the purpose of improving competitiveness in intercollegiate athletics, the universities are authorized up to two hundred twenty-five (225) waivers per semester and, Lewis-Clark State College is authorized up to one hundred ten (110) waivers per semester. The institutions are authorized to grant additional waivers, not to exceed ten percent (10%) of the above waivers, to be used exclusively for post-eligibility students.

c. ~~Disadvantaged or Deserving Students~~ Waivers to Meet Other Strategic Objectives of nonresident tuition—Other

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: T. Fee/Tuition Waivers

April 2002

~~(1)~~ The chief executive officer of each institution is authorized to waive nonresident fees/tuition for ~~disadvantaged or deserving~~ students, not to exceed the equivalent of one six percent (61%) of the institution's total full-time equivalent enrollment. The criteria to be followed in granting such nonresident waivers shall be as follows:

- (i) A waiver may be granted to place a nonresident student in an institutional program only when there is sufficient capacity in the program to meet the needs of Idaho resident students; and
- (i)(ii) A waiver may be granted only when its use is fiscally responsible to place a nonresident student in an institutional program in order to meet a strategic state and/or institutional need, as identified by the chief executive officer of the institution.

~~In addition, in order to meet the workforce demands in the fields of engineering, information technology, and related high technology disciplines, the chief executive officer of each institution is authorized to waive nonresident tuition for students enrolled in these areas (if space is available) not to exceed two percent (2%) of the institution's full-time equivalent enrollment. Students eligible to receive the waiver must select engineering, information technology, or related high technology disciplines as their primary field of study. Information technology encompasses scientific and mathematical study of design and building computers and their applications; design and development of operational electronic data storage and processing systems; study and development of electronic systems for transmitting information via networks; analysis and the development of economic and public policy issues; and applying methods and procedures used in the design and writing of computer programs including the problem solving of information network systems.~~

~~Any changes to the existing Board approved list of primary fields of study must be submitted to the Board for their approval.~~

~~d.~~ Reciprocity with the State of Washington

~~Based on a limit approved by the Board, waivers may be allocated on an annual basis by the executive director to the college and universities in postsecondary education programs for Washington residents. An equal number of opportunities shall be afforded to Idaho residents in Washington postsecondary institutions.~~

~~e.~~ Reciprocity with Utah State University

~~Based on a limit approved by the Board, Idaho State University is authorized to waive nonresident tuition for residents of the state of Utah when an equal amount of waivers are made available to Idaho residents at Utah State University.~~

~~f.~~ College of Mines

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: T. Fee/Tuition Waivers

April 2002

~~Based on a limit approved by the Board, the College of Mines at the University of Idaho is authorized waivers to encourage enrollment in mining, metallurgy, and geology.~~

~~g. Reciprocity with the State of Oregon~~

~~Based on a limit approved by the Board, waivers are authorized for undergraduate students who are residents of the state of Oregon and who are majoring in mining engineering, metallurgical engineering, or geological engineering at the University of Idaho. The number of waivers to be awarded annually shall be limited by the number of waivers provided to Idaho residents in Oregon institutions of higher education.~~

~~hd. Domestic- National Student Exchange Program - Domestic~~

Waivers are authorized for nonresident students participating in this program.

~~ie. Western Interstate Commission for Higher Education~~

Waivers are authorized for nonresident students participating in the Western Interstate Commission for Higher Education Professional Student Exchange Program and the Graduate Student Exchange Program. An institution may include a participating nonresident student in its enrollment workload adjustment calculation, provided the figure does not exceed the maximum approved for an institution by the Board.

~~3. Reporting Requirements~~

~~Each institution shall submit an annual report on fee/tuition waivers on a date and in a format determined by the executive director of the Board.~~

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Idaho State Board of Education**GOVERNING POLICIES AND PROCEDURES****SECTION: V. FINANCIAL AFFAIRS****Subsection: T. Fee/Tuition Waivers****April 2002**

T. Fee/Tuition Waivers**1. Purpose and Authority for Fee/Tuition Waivers****a. Definition**

A fee/tuition waiver shall mean a reduction of some or all of the approved fees/tuition specified in Section V, Subsection R, attributable to a particular student as the cost for attending an Idaho institution of higher education.

b. Purpose

The purpose in authorizing fee/tuition waivers includes but is not limited to the achievement of the following strategic objectives:

- (i) The enhancement of education opportunities for Idaho residents;
- (ii) To promote mutually beneficial cooperation and development of Idaho communities and nearby communities in neighboring states;
- (iii) To contribute to the quality of educational programs; and
- (iv) To assist in maintaining the cost effectiveness of auxiliary operations in Idaho institutions of higher education.

c. Authority

An institution shall not waive any of the applicable fees/tuition specified in Section V, Subsection R., unless specifically authorized in this subsection. Special fees are not defined as a fee waiver.

2. Waiver of Nonresident Fees/Tuition

Nonresident fees/tuition may be waived for the following categories:

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Waivers are authorized for students employed as graduate assistants appointed pursuant to Section III, Subsection P.11.c.

b. Students Participating in Intercollegiate Athletics

For the purpose of improving competitiveness in intercollegiate athletics, the universities are authorized up to two hundred twenty-five (225) waivers per semester and, Lewis-Clark State College is authorized up to one hundred ten (110) waivers per semester. The institutions are authorized to grant additional waivers, not to exceed ten percent (10%) of the above waivers, to be used exclusively for post-eligibility students.

Idaho State Board of Education**GOVERNING POLICIES AND PROCEDURES****SECTION: V. FINANCIAL AFFAIRS****Subsection: T. Fee/Tuition Waivers****April 2002**

c. Waivers to Meet Other Strategic Objectives

The chief executive officer of each institution is authorized to waive nonresident fees/tuition for students, not to exceed the equivalent of six percent (6%) of the institution's total full-time equivalent enrollment. The criteria to be followed in granting such nonresident waivers shall be as follows:

- (i) A waiver may be granted to place a nonresident student in an institutional program only when there is sufficient capacity in the program to meet the needs of Idaho resident students; and
- (ii) A waiver may be granted only when its use is fiscally responsible to place a nonresident student in an institutional program in order to meet a strategic state and/or institutional need, as identified by the chief executive officer of the institution.

d. National Student Exchange Program - Domestic

Waivers are authorized for nonresident students participating in this program.

e. Western Interstate Commission for Higher Education

Waivers are authorized for nonresident students participating in the Western Interstate Commission for Higher Education Professional Student Exchange Program and the Graduate Student Exchange Program. An institution may include a participating nonresident student in its enrollment workload adjustment calculation, provided the figure does not exceed the maximum approved for an institution by the Board.

**Idaho College and Universities
Fee and Tuition Waivers - Current
Fiscal Year 2007**

ATTACHMENT 3

		Policy Section	BSU	ISU	UI	LCSC	Total
1	<u>Board Policy Tuition Waivers, Policy Section V.T.</u>						
4	Nonresident Disadvantaged or Deserving: 1% of FTE	SBOE V.T.2.c (1)	865,468	653,330	1,043,600	155,922	2,718,320
5		Student FTE	13,060	8,605	10,252	2,158	34,075
6		Nonresident Fee	<u>\$7,778</u>	<u>\$8,270</u>	<u>\$9,600</u>	<u>\$6,944</u>	<u>8,148</u>
7		Equivalent FTE	0.9%	0.9%	1.1%	1.0%	1.0%
8	Nonresident High Technology: 2% of FTE	SBOE V.T.2.c (2)	1,353,372	1,298,390	1,307,200	96,422	4,055,384
9		Student FTE	13,060	8,605	10,252	2,158	34,075
10		Nonresident Fee	<u>\$7,778</u>	<u>\$8,270</u>	<u>\$9,600</u>	<u>\$6,944</u>	<u>8,148</u>
11		Equivalent FTE	1.3%	1.8%	1.3%	0.6%	1.5%
12	<u>Board Policy Tuition Waivers</u>						
13	Washington Reciprocal Tuition Waivers	SBOE V.T.2.d	58,335	74,430	433,500	113,371	679,636
14	Utah State University	SBOE V.T.2.e	0	922,105	0	0	922,105
15	Mines Tuition Waivers - Engineering	SBOE V.T.2.f	0	0	198,200	0	198,200
16	Mines Tuition Waivers - Science	SBOE V.T.2.f	0	0	107,100	0	107,100
17	Oregon Tuition Waivers	SBOE V.T.2.g	0	0	0	0	0
18	Total Board Policy Waivers		58,335	996,535	738,800	113,371	1,907,041
19							
20	<u>Other Board Policy Exchange Programs</u>						
21	National Student Exchange Program	SBOE V.T.2.h	151,671	74,348	396,600	0	622,619
22	WICHE	SBOE V.T.2.i	0	28,945	0	0	28,945
23	Western Undergraduate Exchange (2)	SBOE V.R.1.a.6	<u>1,553,795</u>	<u>631,394</u>	<u>9,171,500</u>	<u>228,916</u>	<u>11,585,605</u>
24	Total Other Board Policy Exchange Programs		1,705,466	734,687	9,568,100	228,916	12,237,169

**Idaho College and Universities
Fee and Tuition Waivers - New Policy
Fiscal Year 2007**

ATTACHMENT 4

		Policy Section	BSU	ISU	UI	LCSC	Total
6							
7	Waivers Subject to 6% Limitation						
8	Nonresident Disadvantaged or Deserving	SBOE V.T.2.c (1)	\$865,468	\$653,330	\$1,043,600	\$155,922	\$2,718,320
9	Nonresident High Technology	SBOE V.T.2.c (2)	\$1,353,372	\$1,298,390	\$1,307,200	\$96,422	\$4,055,384
10	Washington Reciprocal Tuition Waivers	SBOE V.T.2.d	\$58,335	\$74,430	\$433,500	\$113,371	\$679,636
11	Utah State University	SBOE V.T.2.e	\$0	\$922,105	\$0	\$0	\$922,105
12	Mines Tuition Waivers - Engineering	SBOE V.T.2.f	\$0	\$0	\$198,200	\$0	\$198,200
13	Mines Tuition Waivers - Science	SBOE V.T.2.f	\$0	\$0	\$107,100	\$0	\$107,100
14	Oregon Tuition Waivers	SBOE V.T.2.g	\$0	\$0	\$0	\$0	\$0
15	Total Waivers Subject to 6% Limitation		\$2,277,175	\$2,948,255	\$3,089,600	\$365,715	\$8,680,745
16		Student FTE	13,060	8,605	10,252	2,158	34,075
17		Nonresident Fee	\$7,778	\$8,270	\$9,600	\$6,944	8,148
18	Equivalent FTE Waivers subject to 6% Limitation	Equivalent FTE	2.2%	4.1%	3.1%	2.4%	3.1%
19							
20	Other Board Policy Exchange Programs						
21	National Student Exchange Program	SBOE V.T.2.h	\$151,671	\$74,348	\$396,600	\$0	\$622,619
22	WICHE	SBOE V.T.2.i	\$0	\$28,945	\$0	\$0	\$28,945
23	Western Undergraduate Exchange	SBOE V.R.1.a.6	\$1,553,795	\$631,394	\$9,171,500	\$228,916	\$11,585,605
24	Total Other Board Policy Exchange Programs		\$1,705,466	\$734,687	\$9,568,100	\$228,916	\$12,237,169

Washington/Idaho– Reciprocity Waivers

(Per the current reciprocity agreement)

In the fall of 2008, the following institutions were asked to provide data regarding reciprocity and the number of Idaho students attending Washington institutions.

Chart 1

Data reflecting Washington students receiving reciprocity from Idaho institutions.

Idaho Institution	2005-06	No. of Students	2006-07	No. of Students	2007-08	No. of Students	2008-09	No. of Students
Boise State University	\$ 88,896	24	\$ 58,335	15	\$65,344	16	\$47,168*	11*
Idaho State University	\$ 77,000	20	\$74,430	18	\$52,104	12	\$73,632	16
University of Idaho	\$433,500	138	\$433,500	128	\$433,500	121	\$433,500	122
Lewis-Clark State College	\$140,582	129	\$115,371	109	\$112,750	109	\$152,500	142
Total \$ Waived	\$739,978		\$707,430		\$673,698		\$706,800	
No. of WA students FT & PT		311		265		234	291*	

*The number of WA students does not include spring quarter for BSU.

Data reflecting Idaho students receiving reciprocity from WWCC.

Washington Institution	2005-06	2006-07	2007-08	2008-09
Walla Walla Community College	\$420,000	\$618,652	TBD	
Total \$ Waived (approximate)	\$420,000	\$618,652	TBD	
No of ID students FT & PT (estimate)	175	251	228*	

*The number of ID students does not include the spring quarter.

Idaho/Washington Tuition Waivers

(Issued to Idaho Students Outside of the Reciprocity Agreement)

Chart 2

Idaho students issued tuition waivers at Washington universities as reported by each institution.

Western Washington University

TERM	N Students	Total Amount	Avg per Student
200540 15		\$79,888	\$5,326
200640 14		\$73,403	\$5,243
200740 13		\$75,076	\$5,775
200840 11		\$52,777	\$4,798
Total 53		\$281,144	

Eastern Washington University

Undergraduates	2005-2006*	2006-2007	2007-2008	2008-2009**
Idaho Reciprocity	\$428,250	Subsumed under WUE		
Number of ID Students	77			
Idaho Reciprocity - NIC	\$72,225	Subsumed under WUE		
Number of ID Students	14			
Western Undergraduate Exchange	\$373,500	\$975,435	\$908,336	\$735,700
Number of ID Students	50	137	136	120
Gender Equity	\$14,706	\$16,551	\$22,056	\$26,842
Number of ID Students	3	3	5	4
Total Undergraduate Dollars	\$888,681	\$991,986	\$930,392	\$762,542
Total Undergraduate Headcount	144	140	141	124
Graduates	2005-2006	2006-2007	2007-2008	2008-2009
Non-Resident Graduate Service Appts	\$5,500	\$5,889	\$7,852	\$ -
Number of ID Students	1	1	2	0
Graduate Discount	\$188,250	\$186,004	\$ 211,484	\$ 285,114
Number of ID Students	25	25	29	41
WICHE	\$80,000	\$81,673	\$74,571	\$82,824
Number of ID Students	8	8	7	8
Total Graduate Dollars	\$273,750	\$273,566	\$293,907	\$367,938
Total Graduate Headcount	34	34	38	49

*2005-2006 figures are estimated except for Gender Equity.

**2008-2009 figures are projected through Spring Quarter 2009

Washington State University

	2005-2006	2006-2007	2007-2008	2008-2009
Cougar Academic Award	536,029	503,290	655,693	807,600
Number of ID Students	92	80	97	110
Graduate Assistants Tuition Waiver	148,671	126,725	146,448	225,332
Number of ID Students	20	25	27	38
WICHE Waivers	76,755	49,677	35,250	37,729
Number of ID Students	9	10	9	7
Total Dollars	761,455	679,692	837,391	1,070,661
Total Headcount	121	115	133	155

Cougar Academic Award – This is a four year waiver that is available to entering non-resident freshmen based on academic merit (GPA/SAT). The value of the award equals that of 150% of resident tuition. WSU participates in the WUE program, and while all non-resident freshmen qualify most come from WUE states.

Graduate Assistants Tuition Waiver - Includes waivers granted to resident and non-resident graduate students as part of their assistantship. Approximately 90% of resident tuition is covered. Non residents receive a full tuition waiver plus 90% of resident tuition and are strongly encouraged to establish residency in the first year of their program.

WICHE Waivers – Waivers granted to VetMed students as part of our agreement as a WICHE partner.

**STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009**

TAB	DESCRIPTION	ACTION
1	SUPERINTENDENT'S UPDATE	Information Item
2	WEISER SCHOOL DISTRICT NO. 431 TUITION WAIVER	Motion to Approve

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**STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009**

SUBJECT

Superintendent of Public Instruction Update to the State Board of Education

BACKGROUND/DISCUSSION

Superintendent of Public Instruction, Tom Luna, will provide an update on the State Department of Education.

BOARD ACTION

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

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**STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009**

SUBJECT

Weiser School District No. 431 Tuition Waiver

REFERENCE

February 26-27, 2008 Request for Approval of Partial Waiver by Weiser School District

APPLICABLE STATUTE, RULE, OR POLICY

Section 33-1405, Idaho Code

BACKGROUND/DISCUSSION

Several students residing in the small Annex School District in Malheur County, Oregon, across the Snake River from Weiser, Idaho, have been attending school in Weiser School District No. 431. The tuition charged by the Weiser School District for each of the students from Oregon is set by Idaho Code §33-1405. The tuition charged is more than the per pupil amount the Oregon state funding formula allocates to the Annex School District and continues to create a hardship to the Annex School District.

The current number of individual high school students enrolled from the Annex School District is two freshmen, six sophomores, three juniors, and ten seniors. A list of students has been submitted to the Department office and is on file.

The request for approval is coming before the State Board of Education again this year, because waiver request must be made annually for each new student. Weiser School District has new students this year which require approval.

IMPACT

The Weiser School District is requesting the State Board of Education waive a portion (\$51.57 per month per student) of the tuition rate charge for each individual student attending Weiser High School from the Annex School District in Oregon for four years: 2008-09; 2009-10; 2010-11 and 2011-12, subject to annual review by the Weiser School District Board of Trustees.

The addition of 25 to 35 students from the Annex, Oregon area (representing about 5% of the Weiser High School student body) increases the costs of supplies, texts, and limited equipment (labs), but has little effect on the other budget lines and expenditures. The Annex District provides the bus transportation to Weiser High School.

ATTACHMENTS

Attachment 1 – Request for Waiver – Weiser School District	Page 3
Attachment 2 – Request for Waiver – Annex School District	Page 4
Attachment 3 – Rationale for Waiver – Annex School	Page 5
Attachment 4 – Projected Annex Enrollment at Weiser High School	Page 6

**STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009**

BOARD ACTION

A motion to approve the request by Weiser School District No. 431 to waive a portion of the tuition rate charge for each individual student attending Weiser High School from Annex School District in Oregon for the 2008-09, 2009-10, 2010-11, and 2011-12 school years. Subject to annual review by the Weiser School District Board of Trustees.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009

WEISER SCHOOL DISTRICT NO. 431

925 PIONEER ROAD
WEISER, IDAHO 83672
PHONE (208) 414-0616 * FAX (208) 414-1265

JAMES A. REED
Superintendent of Schools

WIL OVERGAARD
*Academic Achievement Director
and Special Services Director*

KYLA DICKERSON
District Clerk

CHRISTY STENDER
Deputy Clerk

January 14, 2009

Idaho State Board of Education
P. O. Box 83720
Boise, ID 83720-0037

RE: Out of State Tuition Waiver (I.C. #33-1405)
Annex, Oregon students attending Weiser High School

The Weiser School District Board of Trustees requests that the State Board of Education waive a portion (\$51.57 per month per student) of the tuition rate charged for each individual student attending Weiser High School from Annex School District in Oregon for the 2008-09 school year.


The Weiser School District is requesting the waiver for four years: 2008-09; 2009-10; 2010-11; and 2011-2012 subject to annual review by the Weiser School District Board of Trustees.

The waiver will reduce the amount received by the Weiser School District by approximately \$51.57 per month per student this year. In subsequent years, the reduction will be an amount equal to the State Department of Education approved tuition rate minus the amount Annex School District receives for secondary students multiplied by the ADA of Annex students attending Weiser High School.

The addition of 25 to 35 students from the Annex, Oregon area (representing about 5% of the Weiser High School student body) increases the costs of supplies, texts, and limited equipment (labs) but has little effect on other budget lines and expenditures. The Annex District provides the bus transportation to Weiser High School.

Attached, please find a letter of support for the waiver by the Weiser School District Board of Trustees.

Sincerely,


JAMES A. REED
Superintendent

Encl.

HIGH ACHIEVEMENT

WEISER SCHOOLS

www.weiserschools.org

RESPONSIBLE CITIZENSHIP

STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009

WEISER SCHOOL DISTRICT NO. 431

925 PIONEER ROAD
WEISER, IDAHO 83672
PHONE (208) 414-0616 * FAX (208) 414-1265

JAMES A. REED
Superintendent of Schools

KYLA DICKERSON
District Clerk

WIL OVERGAARD
*Academic Achievement Director
and Special Services Director*

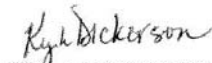
CHRISTY STENDER
Deputy Clerk

January 14, 2009

Idaho State Board of Education
P. O. Box 83720
Boise, ID 83720-0037

RE: Annex School District Tuition Waiver Request

The Weiser School District #431 Board of Trustees at a regularly scheduled meeting of the Board on Monday, January 12, 2009 approved the tuition waiver request from the Annex Oregon School District for Oregon High School students attending Weiser High School.


KYLA DICKERSON
Clerk of the Board
Weiser School District #431
Board of Trustees

HIGH ACHIEVEMENT

WEISER SCHOOLS

www.weiserschools.org

RESPONSIBLE CITIZENSHIP

**STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009**

WEISER SCHOOL DISTRICT NO. 431

925 PIONEER ROAD
WEISER, IDAHO 83672
PHONE (208) 414-0616 * FAX (208) 414-1265

JAMES A. REED
Superintendent of Schools

KYLA DICKERSON
District Clerk

WIL OVERGAARD
*Academic Achievement Director
and Special Services Director*

CHRISTY STENDER
Deputy Clerk

January 13, 2009

RATIONALE FOR WAIVER – ANNEX SCHOOL

Annex families consider themselves a part of the Weiser community and they are active participants in many ways. They work, own businesses and property, shop, attend church, and participate in clubs and recreation activities in Weiser. It is also important to know that half of the Annex School District staff resides in Weiser.

Historically speaking, the Weiser and Annex districts have maintained a very positive and collaborative partnership. For approximately 50 years, if not longer, Annex students have been attending Weiser High School.

When considering the possible options for educating Annex high school students, having them attend Weiser High School is truly the most logical and safe arrangement. Annex simply does not have the resources to build a high school or to provide the same high caliber of education our students currently receive in Weiser. While Annex students may attend school in Ontario, Oregon or Huntington, Oregon the distance either way would create a long and sometimes treacherous commute.

Currently, the tuition Weiser is required to charge Annex exceeds the amount per student of funding they receive from the Oregon State School Fund and local revenue. Over the past decade the difference has continued to widen which has resulted in programs being cut at their elementary school in order to accommodate their high school population attending Weiser High School.

Recently, Annex looked into using a local option tax to raise additional funds for high school tuition. However, due to Oregon's Measure 5 and Measure 50 limitations, they were not able to do so. According to Malheur County officials, Annex could raise a total of \$3.00.

In summary, Annex School District would like to continue sending high school students into Weiser because it is simply the most logical and appropriate placement for them given the cohesiveness of our communities. Unfortunately, it has become increasingly difficult for Annex to afford the cost. For many years our districts worked together to determine an appropriate rate of tuition: a rate that ensured Annex paid their fair share and that Weiser was adequately compensated. Annex and Weiser would like to be able to do that again.

WEISER SCHOOL DISTRICT #431 - BOARD OF TRUSTEES

HIGH ACHIEVEMENT

RESPONSIBLE CITIZENSHIP

WEISER SCHOOLS

www.weiserschools.org

STATE DEPARTMENT OF EDUCATION
FEBRUARY 26-27, 2009

December 17, 2008

Dear Mr. Reed,

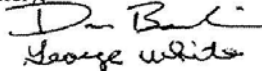
According to our most recent estimate, as of November 19, 2008 we are anticipating a per pupil allocation for the 2009-2010 school year of \$6,528 from local and state revenue sources.

Projected Annex enrollment for the 2009-2010 school year at Weiser High School is 21 students. Using the tuition rate of \$776.90 per month per student determined by the State of Idaho we would be expected to pay approximately \$146,834. Based on the Oregon estimate given above, we will receive approximately \$137,088 from local and state sources. This results in a difference of \$9,746. When looked at on a per month basis, Annex School District's revenue estimate is \$725.33 per student. The difference then equals \$51.57 per student per month.

As mentioned in former correspondence, over the past decade the difference between what Annex receives for educating our high school students and the tuition rate set by the state of Idaho has continued to create a hardship for our district. This has contributed in programs being cut at our elementary school in order to accommodate our high school population. The district can no longer afford the financial hardship or its effect on our elementary students, their families and the staff.

Thank you for continuing to pursue a waiver from the State of Idaho for the portion of our 2009-2010 tuition bill, and of the subsequent three years, that exceeds the amount we receive from local and state revenue sources. We truly appreciate your effort to ensure that our high school students may continue to attend Weiser High School and contribute to the Weiser community that most Annex families consider their own.

Sincerely,



George White

Dan Beaubien
George White
Head Teachers
Annex School