

1. Agenda Approval

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

2. Minutes Approval

**BOARD ACTION**

**To approve the minutes from February 25-27, 2009 as submitted.**

3. Rolling Calendar

**BOARD ACTION**

**To approve April 5, 2010 as the date and Boise, ID as the location for the April 2010 regularly scheduled Board Fee Setting meeting.**

**To approve April 21-22, 2010 as the date and the University of Idaho as the location for the April 2010 regularly scheduled Board meeting.**

**To approve May 20-21, 2010 as the date and Boise, ID as the location for the May 2010 regularly scheduled Board Retreat.**



**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**

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**DRAFT MINUTES  
STATE BOARD OF EDUCATION  
February 25-26, 2009  
Boise State University  
Student Union Building  
Jordan Ballroom  
Boise, Idaho**

A regular meeting of the State Board of Education was held February 25-26, 2009 in Boise, Idaho.

**Present:**

Milford Terrell, President  
Sue Thilo, Secretary  
Kenneth Edmunds  
meeting)

Paul Agidius, Vice President  
Richard Westerberg  
Tom Luna, State Superintendent (present for regular

**Absent:**

Blake Hall  
Rod Lewis

**EXECUTIVE SESSION**

The Board met for Executive Session at 1:00 p.m. on Wednesday, February 25, 2009 in Seminar Room 348A at the University of Idaho Water Center located in Boise, Idaho.

**M/S (Agidius/Thilo): To move into Executive Session pursuant to Idaho Code on Wednesday, February 25, 2009 at 1:00 p.m. to consider:**

**A. For 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.**

**B. For 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 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.**

A roll call vote was taken; motion carried 5-0 (members Hall, Lewis, and Luna were absent).

During Executive Session, the Board discussed and considered, as Trustees for Boise State University, the acquisition of real property currently owned by private parties. The Board also discussed and considered, as Regents for the University of Idaho, (1) the acquisition of real property currently owned by private parties, and (2) the hiring of a public officer, employee, staff member or individual agent.

**M/S (Thilo/Agidius): To go out of executive session and adjourn for the evening.** Motion carried unanimously.

The Board met for its regular business meeting on Thursday, February 26, 2009 at Boise State University in the Student Union Building Jordan Ballroom. Board President Terrell called in the meeting to order at 8:36 a.m.

## **BOARDWORK**

### 1. Agenda Review and Approval

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

### 2. Minutes Review and Approval

**M/S (Thilo/Westerberg): 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.** Motion carried unanimously.

### 3. Rolling Calendar Approval

**M/S (Westerberg/Agidius): To approve January 25, 2010 as the date and Boise, Idaho as the location for the January 2010 Legislative meeting and to approve February 25-26, 2010 and Boise State University as the location for the February 2009 regularly scheduled Board meeting.** Motion carried unanimously.

At this time Board President Terrell made comments related to the institutions, commending them on various successes and noteworthy accomplishments.

Mr. Terrell went on to extend his thanks and gratitude to Board member Sue Thilo whose term is ending. He noted that her time of service on the Board was very much appreciated by the other Board members as well as by the people she has served. He invited Representative Robert Nonini to come forward and together they presented Ms. Thilo with a plaque. Representative Nonini thanked Ms. Thilo and commended her for the work she has done on behalf of the students of Idaho. He noted that her commitment to the students of Idaho has produced results that will have a positive impact that extends well into the future.

Representative Nonini took a few minutes to speak to the Board. He indicated that Board related legislation has moved through the House Education Committee. He also introduced Representative Marge Chadderdon and Representative Sue Chew who were in the audience.

**OPEN FORUM**

Representative Sue Chew reported to the Board that the Opportunity Scholarship Fund has suffered as a result by the economic downturn. She has drafted RS18754 which would make it possible to have a place on the tax return form for people to contribute funds to this scholarship fund. If that gets through the Legislature this year, it could make a big difference in the amount of funds available.

**CONSENT AGENDA**

**M/S (Agidius/Westerberg): To approve the Consent Agenda as submitted.** Motion passed 5-0 (Luna absent during the vote).

1. BAHHR – Section I – Idaho State University – New Positions

**By unanimous consent, the Board agreed to approve the request by Idaho State University for four (4) new positions (4.0 FTE) supported by grant and local funds.**

2. BAHHR – Section I – University of Idaho – New Position and Reactivation

**By unanimous consent, the Board agreed 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.**

3. BAHHR – Section I – Lewis-Clark State College – Position Deletion

**By unanimous consent, the Board agreed to approve the request by Lewis-Clark State College to delete one (1) position (.65 FTE).**

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

**By unanimous consent, the Board agreed to approve the request by Boise State University to discontinue its Associate of Science Nursing program effective May 2010.**

5. Quarterly Report – Program Changes Approved by Executive Director

Information item.

6. PPGAC – Alcohol Permits by University Presidents

Information item.

**STRATEGIC PLANNING PRESENTATION**

**M/S (Terrell/Westerberg): 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.** Motion passed 5-0 (Luna absent during the vote).

Executive Director Mike Rush and Tracie Bent of the Board office presented the Strategic Plan. Ms. Bent discussed the updated Vision Statement and Mission Statement. She also discussed the new goals and objectives of the Strategic Plan. The Board discussed the process and the plan itself at length.

Board member Edmunds expressed his view that the goals in the proposed plan are not where the Board wants to go in the future. He would like more work to be done before approving the plan. Board member Westerberg agreed that there is work to be done, but that progress has been made. Board President Terrell concurred. Ms. Bent pointed out that the intent is for the Board to approve the proposed Strategic Plan with the understanding it is the starting point. More work will be done by the Board in May at its retreat, and in the coming months and year to build on the approved plan.

Dr. Rush explained that because of the changes in external and internal factors, as well as in the entities involved, the strategic planning process, by virtue of what it is, remains an ongoing effort. He suggested the idea of a task force being appointed to focus just on strategic planning, and that it be driven by the State Board of Education. Board member Thilo reinforced what Dr. Rush said noting that the strategic plan is an evolving document. She indicated that she is pleased with the fact that what is before the Board today is something the Board can work with.

Board member Edmunds emphasized that he is disconcerted that this plan doesn't get to the next level of planning. Board member Westerberg suggested that a strategic plan is broad and identifies the destination while an operational plan provides the more detailed things that need to be accomplished. Board member Westerberg reminded the Board that it is up against a deadline and urged the Board to approve the plan today and then move forward. Dr. Rush suggested that one of the objectives that can be added to the plan is to define the mission and role of the institutions.

Ms. Bent discussed the voluntary system of accountability by the institutions. While participation is voluntary, Board staff asked the Board to consider requiring all the institutions participate. Ms. Bent pointed out that the Board isn't being asked to vote on this suggestion at this time, but to consider it in the future.

Dr. Rush invited recommendations for modifications. Board member Edmunds suggested there be an objective included that relates to an annual evaluation of the mission statements of the colleges and universities, beginning with a comprehensive review of the mission statements; and, that it is updated annually. **By unanimous consent, the Board agreed.**

Board member Thilo asked to have an objective related to lifelong learning, to include re-education and retraining to improve the quality of life. **By unanimous consent that such an objective will be included in the document.**

Board member Edmunds suggested an objective to evaluate and determine the method for expanding the population of postsecondary students. Board member Westerberg suggested that the Board's responsibility was to put forward the goal and not specifically tell the colleges and institutions how it gets done, but let that be in their plan. Mr. Edmunds agreed, but he expressed concern that there are certain items that cross all the institutions so it seems that the Board should give a directive in such cases. Mr. Westerberg agreed, but reiterated that if too much detail is included, it gets confusing. Board President Terrell agreed with Mr. Westerberg. He noted that the Board has been directed to stay out of the day-to-day details. He suggested that the objective stay broad.

Board member Edmunds asked about the direction the Board is headed in terms of its focus. He suggested that the Board should take responsibility for how that is determined. Board member Westerberg observed that this starting point will take the Board to those in depth discussions in the future.

Board President Terrell suggested that the Board go through a portion of the strategic plan at every Board meeting. Board member Westerberg pointed out that there will be time in May to have detailed discussion and help the Board staff to know the mind and will of the Board. Board member Edmunds suggested having work groups appointed to look at various parts of the plan to identify issues, and then report back to the Board with their ideas and recommendations. Executive Director Rush asked about putting together a plan for a planning task force. **By unanimous consent, the Board agreed that Dr. Rush should do this.**

Board member Edmunds suggested there be a position statement to send to the Legislature each year clarifying the key items the Board would like to address. Dr. Rush explained that there are several aspects to consider. First, the items that require specific legislative language have to be submitted in August. Dr. Rush suggested that the Board could identify those items at its retreat in May, and forward them to the Board for approval at the June meeting. Dr. Rush indicated that the second aspect to consider is that the Board's annual budget request frames the position the Board has determined to take; and this provides the Legislature with a focus. The third aspect is a general philosophical direction, based on the strategic plan, the Board might want the Legislature to take in the decisions it makes; it could be drafted at the May retreat. Board member Edmunds indicated that the third point is what he is recommending.

Dr. Rush thanked the Board staff and the institutions for the significant amount of time that they have spent on the strategic planning process.

## **PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS**

### 1. Presidents' Council Report

Dr. Beck thanked Board member Sue Thilo for her time on the Board and her support of the institutions. Dr. Beck indicated that the Presidents' Council discussed the rotation of the chairmanship of the Presidents' Council. The Presidents also discussed having more teleconference meetings to save time and costs. In addition, they want to have regular meetings with the Governor. The Presidents also agreed that the colleges and universities will be more timely in submitting agenda items to the Board staff for Board meetings.

### 2. Boise State University Annual Report

President Bob Kustra presented his report on Boise State University. He commented on the remodeling and updates of the Student Union Building. Dr. Kustra also expressed his appreciation to Board member Thilo. He noted that she took a position to represent all of education in Idaho and avoided regionalism in terms of trying to understand what the issues were and getting the issues resolved. He noted that she has dedicated hours and hours of her time to make sure that all of Idaho's students have bigger and better opportunities for education.

Dr. Kustra then discussed the hardships that BSU is facing not only as a result of the economic situation, but also as a result of the many regulations that are put on the institution by Idaho state government. He indicated that much of Idaho's higher education is forced to operate as if it is a

state agency when it is far from being such an entity. He suggested that deregulation is a possible solution. Dr. Kustra pointed out that the statutory relationship between BSU and Idaho's state government results in a costly and inefficient bureaucracy within the institution. For example having two sets of regulations, the institution's and the state's, in terms of purchasing regulations, construction and building regulations, personnel policies and regulations, employee insurance management, risk management, and legal representation. These and other duplicative requirements complicate every decision that BSU tries to make because of overlap, redundancy, and conflicting interests. Dr. Kustra gave a number of specific examples to support his argument. Dr. Kustra explained that the University of Idaho operates free of those duplicative practices and regulations; however BSU, ISU, and LCSC do not enjoy that same rule. He suggested that they should.

Dr. Kustra suggested a couple approaches the Board could take that would benefit Idaho's higher education system. He asked the Board to lead the effort to amend the existing Statute and Law for the University of Idaho by adding the other institutions into the language. He suggested that the Board could also ask the Legislature to write new language that would take Idaho's higher education institutions out of Idaho's state government system. This would allow the Board to hold the institutions accountable.

Board member Thilo asked for comments. In discussing the role of the Idaho Department of Public Works (IDPW) Dr. Kustra explained that the issue is not that folks aren't trying to work out the details; it is about having two separate management entities duplicating the effort. This increases the costs of projects, creates obstacles when conflicting interests arise, and increases the amount of time and effort in trying to get things done. Dr. Kustra noted that he isn't opposed to the centralization of functions where it works.

Board member Edmunds thanked Dr. Kustra. He suggested this issue be included in the Board's strategic plan. Board member Agidius thanked Dr. Kustra for bringing forward this kind of presentation. It gives the Board something to work on and to look at.

Board member Westerberg asked how such a change would impact the university's headcount, staffing, etc. Dr. Kustra noted that for the most part it would not involve an expansion of staff. In fact, it would save staff time. One area where that may be different would be in construction because now where they are using IDPW, BSU would hire project staff to work on the project. Those details would all be woven into the project plan.

Board member Thilo thanked Dr. Kustra. She suggested that the Board would be remiss in not following up on this issue in a timely fashion, from a cost standpoint, efficiency standpoint, and duplication of effort standpoint. She asked the Board work with the institutions on this issue. **By unanimous consent the Board directed staff to start working with the institutions on this issue and to meet with the institutions to get their input and come up with solutions.**

At this time Board President Terrell asked the Presidents' Council to take under advisement, at its next meeting, to review the issue brought forward by BSU and get a consensus from the other institutions related to that issue. Mr. Terrell will plan to attend.

### 3. Idaho Division of Vocational Rehabilitation Annual Report

Michael Graham of the Division of Vocational Rehabilitation reported to the Board. He noted that the agency has good news to report in this difficult time of economic crisis. He thanked all

involved for the opportunity to remain under the Board this next year. That is a positive development.

Mr. Graham discussed the purpose of the agency. He noted that the process of rehabilitating clients takes approximately 30 months from start to successful closure. Mr. Graham discussed statistics related to their budget. He reviewed the FY 2009 budget considerations which have impacted many levels of service. The Division of Vocational Rehabilitation has handled the cuts successfully. He noted that the recently passed omnibus legislation provides funds to their program. The exact details are not known at this time.

Mr. Graham reported on the programs and services offered by the agency and discussed the possible implications of holdbacks and fund reductions. Fewer clients will be served. In FY 2010 it is anticipated there will be a loss of about 10% in terms of jobs, which will continue to impact the numbers of clients that can be served and the programs that can be operated. Again, partnerships with other entities will be required to capture federal funds. He noted that as compared to other states, Idaho's productivity, efficiencies, and cost-savings rate very high. Idaho does over three-times the national average in terms of clients served based on the number of dollars available to work with. For every \$1 spent rehabilitating a client in Idaho, about \$3.33 is returned to the state through taxes paid on their earnings.

Board member Thilo thanked Mr. Graham and commended him and the agency for their good work. Board member Edmunds agreed the news was impressive in terms of the successes. Board member Thilo complimented Voc Rehab for their cost-per-client numbers and the great efficiencies they are demonstrating.

#### 4. Idaho Commission for Libraries

**M/S (Thilo/Agidius): To approve the appointment of John Held to the Idaho Board of Library Commissioners for a term beginning immediately and ending June 30, 2012.**  
Motion carried unanimously.

#### 5. PULLED

#### 6. Waiver – Fall ISAT Requirement

**M/S (Thilo/Westerberg): 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.**  
Motion carried unanimously.

#### 7. Board Policy I.E. Executive Officer Discussion

Board member Thilo introduced this item. She noted that specific suggestions and input are needed in order for staff to move forward.

Board President Terrell noted that this comes under Executive Officers and Chief Executive Officers and applies to the issue of presidents and coaches. He suggested that the Board look at all avenues including the use of foundations in order to be competitive. He suggested a review of the nepotism issue and possibly bringing that back. He suggested that the Board could put strict parameters around these things so that they work. Mr. Terrell suggested that deferred compensation needs to be looked at as well; right now state law prohibits this. He emphasized again that it is important to make the contracts more appealing.



Board member Agidius noted that as he is sitting on the Presidential Search committee and pointed out that multi-year contracts are a common practice nationwide. He agreed that if Idaho is going to be competitive, Idaho needs to offer multi-year contracts.

Executive Director Rush explained that Board staff needs guidance from the Board in creating a second reading document that represents what the Board wants. This is not an action item today. He asked specifically for input on 1.b and 2.a.

Dr. Rush noted that the issue around at-will employment (1.b) is how to reconcile that with a multi-year contract because they seem to be two opposing concepts. He asked how the Board would have staff include those in the same document. State Superintendent Luna suggested that the contract should include language that would allow for an at-will release. Board member Westerberg agreed that the compensation terms of the contract should spell out what the Board would be obligated to, should the person be let go before the contract is finished out. He also noted that a one-year contract does not instill confidence. Board member Edmunds concurred. In reference to 2.a., Mr. Edmunds suggested that the Board consider current economic constraints. Board member Westerberg agreed that if the Board can ensure an appropriate fire wall between the institution and the foundation, it does make sense in these times of financial difficulties to have some arrangement in place.

Board member Thilo asked that a rolling minimum three-year contract, maybe up to five year, be included in the policy. She supported the idea of re-opening the supplementation of compensation. Board member Agidius agreed that the issue of what is done in terms of spouses needs to be included in the policy.

State Superintendent Luna raised the point that due to the differing strengths of the various institutions and their foundations, the amount of supplemental compensation each can afford may result in discrepancies. Board members Agidius and Thilo indicated that hadn't been a problem in the past when the foundations were supplementing salaries.

Board President Terrell clarified that in terms of salary, the institution is responsible for the base-pay. This is how coaches' salaries are currently handled. They receive further compensation as part of the package depending on what other funding sources are available. He suggested this should be the same approach for presidents because recruiting and retention of presidents is highly competitive, and state government does not have the ability to compete with national trends and opportunities.

Board member Edmunds suggested that if the Board goes this route, the Board has a system in place so that one institution or president isn't favored over another. He asked for clarification on the spouse issue and also the current status of the presidential search in terms of this policy.

Board member Edmunds asked about timing in terms of the current search. It was noted that the Board can waive policy. Board member Agidius suggested having a special meeting for a second reading to affect change sooner. In terms of nepotism, if the Board changes its policy it will be in conflict with state statute.

8. Legislative Update

Mark Browning of the Board office reported to the Board on the current status of Board endorsed legislation moving through the Legislature. Board member Thilo thanked Mr. Browning for his work at different levels.

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS**1. College of Western Idaho (CWI) Request for Approval of Professional-Technical Education Programs and Options

**M/S (Thilo/Agidius): 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.** Motion carried unanimously.

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

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

3. GEAR UP Evaluation Services

Board member Thilo briefly discussed this information item.

4. Revision of Title III Accountability Procedures

**M/S (Thilo/Luna): To approve the recommended revisions to the Accountability Plan for the Idaho Limited English Proficiency Program.** Motion carried unanimously.

Board member Thilo briefly noted that there is a concern that the Board needs to address the accountability issue. Wendy St. Michell of the Board staff reported that it has been suggested the Board adopt the federal exemption policy. She also indicated that the new targets have incorporated three years of data which makes it more feasible and achievable for the districts to meet proficiency.

5. Dual Credit Data Update

Board member Thilo presented this item and briefly reviewed it for the Board.

**AUDIT COMMITTEE**1. Audit Committee Charter

**M/S (Edmunds/Thilo): To approve the Charter of the Audit Committee as presented on pages 3-13.** Motion carried 5-0 (Luna absent during the vote).

Board member Edmunds presented this item. He discussed the various aspects of the charter. He noted it does make significant changes to the internal audit mechanism. He reported that the internal audit relationship will change with the external audit. It will also allow the Audit Committee to have more input to what is going on at the institution.

Board President Terrell invited input from the Presidents' Council. Dr. Kustra from BSU suggested that there needs to be an opportunity for institution presidents to call upon the internal auditors to address issues of concern. He asked for clarification related to the reporting relationships of the internal auditors. Mr. Edmunds noted that the reporting relationships are defined to avoid internal conflicts. He explained that this charter is modeled after best practices.

It was felt that there needed to be an ongoing role for the internal auditor at the institutions, but the ultimate responsibility of this position will be to the Audit Committee.

Dr. Vailas of Idaho State University suggested that a schematic be included that shows the reporting relationships. It might be helpful to have a reporting plan for the institutions that clarifies what the Audit Committee wants and also what the institutions need. Mr. Edmunds indicated that is already part of the language and that those issues are covered. In terms of intent, Dr. Vailas expressed concern about time and effort on the part of the institutions in regards to the various cycles that they have to conform to already. Mr. Edmunds indicated that there will not be a significant change in time and effort, just in how they report.

Board member Agidius clarified that the internal auditor will do their normal jobs. Mr. Edmunds indicated that since the Audit Committee is directing the plan, they will effectively direct the work of the internal auditor. It is not expected that there will be a significant change in how they do their work at this point.

Chet Herbst indicated that Lewis-Clark State College supported the idea and the intent behind the new charter. The institution can live within the spirit of the charter. He noted that at LCSC some staff currently perform dual tasks because of the size of the institution. He indicated that there are tactical lines of reporting and virtual lines of reporting. LCSC hopes that if the Board has a specific task it needs done, it would directly approach the institution so that the appropriate person can follow up.

Board President Terrell indicated that he has discussed various issues with Board member Lewis who chairs the Audit Committee. He noted that the institutions are encouraged to direct their concerns or questions to the chair of the Audit Committee. Mr. Terrell reiterated that this is a focus of the Board. It is something that the Governor desires as well.

Jim Fletcher of Idaho State University noted that from an operational financial point of view, the most important thing the internal auditor can do is internal control. That is why there is always a difference between the internal and external auditors. The internal auditor has to be invested. They need to look at policy compliance. It may not be part of an audit plan, but rather as a result of an issue that has been reported. He suggested that the charter be worded in such a way that it recognizes that the primary role of the internal auditor is internal and that it is not compromised in any other way. Mr. Edmunds noted that the Audit Committee is complying with the best practices which are key to the points that Mr. Fletcher raised.

Board member Westerberg noted that the day-to-day control issue is important. He asked what mechanism is in place by the Audit Committee to address unexpected issues that come up. Mr. Edmunds said the expectation is that there will be flexibility and time allowed to handle situations. From a practical standpoint, the Audit Committee meets quarterly for updates. The plan will have flexibility. At the same time, there will be certain instances laid out in advance that the institutions will need to address and time will be allocated to manage them. Mr. Westerberg clarified that on a day-to-day basis, not much will change for the internal auditor.

There was discussion about who would approve the hiring and termination of internal auditors.

**Motion (Edmunds/Agidius): To amend the charter as approved to provide for the Audit Committee's approval for the institutions to terminate the internal auditors.** Motion carried unanimously.

Mr. Edmunds referred to a paragraph that was deleted from the charter having to do with authority to conduct special investigations and engage experts. He asked the Board to discuss that point separately and determine if that was a function it wanted to turn over to the Audit Committee.

**Motion (Edmunds/Thilo): To approve that the Audit Committee shall be authorized to conduct special investigations and engage experts or professional consultants as necessary. Also, that the Audit Committee shall determine available funds in the Systemwide Needs budget of the Office of the State Board of Education before authorizing any expenditure.** Motion FAILED by unanimous vote.

## **BUSINESS AFFAIRS AND HUMAN RESOURCES – SECTION II (Finance)**

### 1. Intercollegiate Athletics – Financial Reports

Board member Westerberg presented this item.

### 2. Inter Collegiate Athletics – Employee Compensation Reports

Board member Westerberg presented this item.

### 3. 2008 Financial Reviews

Board member Westerberg presented this item. Each institution was invited to give a brief analysis of the financial information being presented. The point was raised that it would be helpful to disaggregate the data in order to make this a better management tool for the institutions. It was also noted that this type of review is generic and doesn't consider that the institutions are all different from each other. It was also suggested that the Board look at the weighting factors because they haven't been reviewed or modified for a number of years.

### 4. Boise State University – Authorization for Issuance of General Revenue Bonds

**M/S (Westerberg/Edmunds): 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.** Motion carried unanimously.

**M/S (Westerberg/Edmunds ): To approve the finding that the CESED project, Taco Bell Arena retractable seating project, and the 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 \$42,595,000 in General Revenue and Refunding Series 2009A bonds, of the Board of Trustees of 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.** A roll-call vote was taken; motion carried unanimously.

Board member Westerberg introduced this item. Stacy Pearson from Boise State University provided details for the benefit of the Board. She discussed the terms and the interest rates of the projects and reviewed the materials provided to the Board in their agenda packets.

5. Boise State University – Request to Purchase Furnishings, Fixtures and Equipment for Norco Building: Department of Nursing, University Health Services

**M/S (Westerberg/Thilo): 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.**  
Motion carried unanimously.

Board member Westerberg presented this item.

6. Idaho State University – Follett Higher Education Contract – Outsource Management of Bookstore

**M/S (Westerberg/Agidius): 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.** Motion carried unanimously.

7. Idaho State University – Escrow Account for Enterprise Resource Planning (ERP)

**M/S (Westerberg/Thilo): 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.** Motion carried unanimously.

8. University of Idaho – Capital Project Authorization – Tenant Improvements at Legacy Point, Idaho Water Center

**M/S (Westerberg/Thilo): 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.** Motion carried unanimously.

Board member Westerberg introduced this item.

9. University of Idaho – Transfer of Real Property – Nez Perce County

**M/S (Westerberg/Edmunds):** 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. Motion carried unanimously.

10. Lewis-Clark State College – Proposed Financing – Purchase of Clearwater Hall

**M/S (Westerberg/Edmunds):** To approve that the funding of the purchase of the Clearwater Hall project is economically feasible and necessary for the proper operation of the College, and 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, by signing the attached Board Authorization and Board Office Certification. A roll-call vote was taken; motion carried unanimously.

Chet Herbst of Lewis-Clark State College clarified the motion. The motion was restated. It was noted that LCSC will come back at a later date for build-out costs.

11. University of Idaho – Research Dairy

**M/S (Westerberg/Thilo):** To authorize 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. Motion carried unanimously.

Board member Westerberg introduced this item. He noted it had come before the Board previously, but that there was a request for clarification. He pointed out that the Board agenda materials include additional details for the benefit of the Board.

12. Amendment to Board Policy – Section V.T., Fee/Tuition Waivers – First Reading

**M/S (Westerberg/Thilo):** To approve the first reading of Board Policy V.T. – Fee/Tuition Waivers. Motion carried unanimously.

Board member Westerberg presented this item. It was noted this policy amendment is a first reading.

**DEPARTMENT OF EDUCATION**1. Superintendent's Report

State Superintendent Luna reported to the Board. Mr. Luna provided updates on the recovery act. He returned to Idaho this morning from Washington DC where he had an opportunity to meet the new Secretary of Education and Vice President Biden. Mr. Luna moved to item number 2 before continuing his remarks.

2. Weiser School District No. 431 – Tuition Waiver

**M/S (Luna/Agidius): 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.** Motion carried unanimously.

Mr. Luna presented this item. He noted that the waiver request must come before the Board each year in order to approve each new student that comes into the system each year.

State Superintendent Luna extended his appreciation to Board member Thilo. He pointed out that her willingness to be on the front line in many cases, and to serve on a number of task forces, was a demonstration of her desire to serve the students of Idaho. Mr. Luna remarked that Ms. Thilo's passion for K-12 students and education is evident in all she did. He emphasized that she played a key role in a number of changes which will have long-term, positive impact statewide. Ms. Thilo thanked the Board members. She said that serving on the Board has been an honor and privilege. It has been an opportunity to accomplish great things.

State Superintendent Luna continued his report to the Board. He discussed the help that would come to Idaho through the Stimulus Package that the President had signed into law. He distributed a handout to the Board that provided some detail related to the American Recovery and Reinvestment Act and how it effects education in Idaho. Mr. Luna indicated that Secretary Duncan and Vice President Biden were clear that these dollars are to be directed towards reforming education as well as infusing the system with funds during a budget shortfall. They are not to be used to prop up a failing system.

Board President Terrell asked when the money will begin to come in. Mr. Luna said that will be known in the next week. Some will start coming in sometime in the next few weeks and all of it will be received in the next six months.

Mr. Luna discussed the capacity of the system in Idaho to use the formula grant funds. There will be increased amounts coming into the state so there is a need to make sure that they aren't wasted, that they don't bloat the current system, and that they be used for one-time expenditures and not create unfunded mandates that can't be maintained in the future.

**OTHER BUSINESS**

Board President Terrell once again thanked Board member Thilo for her service. He indicated that Ms. Thilo will continue to serve on the Medical Education Committee as a non-Board member in order to help facilitate it because of her experience with the committee.

**By unanimous consent, the Board adjourned at 4:00 p.m.**

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