



**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**

**APPROVED MINUTES
STATE BOARD OF EDUCATION
February 17-18, 2010
Boise State University
Simplot Ballroom
Student Union Building
Boise, Idaho**

A regularly scheduled meeting of the State Board of Education was held February 17-18, 2010 in Boise, Idaho.

Present:

Paul Agidius, President
Ken Edmunds, Secretary
Don Soltman
Rod Lewis

Richard Westerberg, Vice President
Emma Atchley
Milford Terrell
Tom Luna, State Superintendent

The Board met at 4:00 p.m. on Wednesday, February 17, 2010 in Boise, Idaho at Boise State University's Stueckle Sky Center in the 6th Floor Conference Room.

EXECUTIVE SESSION

M/S (Westerberg/Atchley): To move into Executive Session at 4:00 p.m. pursuant to Idaho Code on February 17, 2010 to consider the following: (Tab 1) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(1) (d) for the purpose of considering documents that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code. (Tab 2) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(1) (d) for the purpose of considering documents that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code.

A roll call vote was taken; motion carried 6-0 (Edmunds arrived at 4:30 and Luna arrive at 5:00).

During Executive Session the Board discussed and considered, as Regents for the University of Idaho, (Tab 1 and 2) the consideration of documents that are exempt from disclosure as provided in chapter 3, title 9 of Idaho Code.

M/S (Terrell/Luna): To go out of Executive Session at 5:15 p.m. Motion carried unanimously.

On Thursday, February 18, 2010, the Board convened for regular business at 8:40 a.m. in Boise, Idaho at the Boise State University Student Union Building in the Simplot Ballroom. Board President Agidius called the meeting to order.

RECOGNITIONS

Board President Agidius shared various events going on at the colleges and universities. He congratulated them for their achievements during these challenging and difficult times.

BOARDWORK

1. Agenda Approval

M/S (Westerberg/Atchley): To amend the agenda by pulling Tab 9 from Section II of the Business Affairs and Human Resources agenda, and to approve the agenda as amended. Motion carried unanimously.

2. Minutes Approval

M/S (Westerberg/Atchley): To approve the minutes from the December 10-11, 2009 Regular Board meeting and the January 15, 2009 Special Board meeting as submitted. Motion carried unanimously.

3. Rolling Calendar

M/S (Westerberg/Soltman): To set February 16-17, 2011 as the date and Boise State University as the location for the February 2011 regularly scheduled Board meeting, and to amend the date and location of December 15-16, 2010 meeting to December 8-9, 2010 at North Idaho College. Motion carried unanimously.

Dana Kelly from the Office of the State Board was invited to present information on the Go-To-College grant. She noted that one of the goals of the Board is to increase the go-to-college rate for Idaho's students and this grant will help reach that goal by allowing more lower-income students greater access to postsecondary education. Ms. Kelly pointed out that this effort will also foster greater statewide educational collaboration. She shared the web address for finding additional information. As a point of information, the web site is set up to guide students and their parents through the various steps and pathways of going to college, from application and registration, to graduation.

At this time Board President Agidius welcomed Representatives Shirley Ringo, Tom Trail, and Liz Chavez who were in the audience.

OPEN FORUM

Representative Tom Trail expressed his concerns related to proposed changes to Board policy that would give university presidents sweeping power to make decisions related to tenure, contracts, and salaries. He indicated that some of the institutions have already incorporated

new language into faculty contracts inferring that. He suggested that the proposed policy changes may be a violation of the 10th Amendment. He reminded Board members that at the December Board meeting legal counsel for the institutions along with several others suggested that an official opinion be sought from the Attorney General before the Board took any further action. He warned there could be a legal backlash that ties up the courts for a long time to come if this policy is applied.

Representative Shirley Ringo asked the Board to reconsider the proposed changes to Board policy related to human resources. She noted that the document states that certain processes will be followed, but the terms for that are not clearly defined. She pointed out that the proposed changes give great authority to the university presidents which could result in a serious negative impact on the institution and its faculty if the president is not a person of good character. Representative Ringo encouraged her legislative partners to work hard to support the colleges and universities. She noted that even without the adoption of this policy, the colleges and institutions have the ability and flexibility to deal with financial hardship.

Representative Liz Chavez addressed the Board related to the policy changes being considered. She expressed her opinion that it will undermine the strengths of the universities and colleges. She pointed out that the policy leaves the faculty out of the equation in terms of dealing with financial exigency. She encouraged the Board to make sure any policy involves faculty in the team effort.

Joni Mina of Lewis-Clark State College referred to remarks she made on the same subject in December. She reiterated that faculty is opposed to the proposed policy changes that are being considered today. She outlined the reasons why this policy will undermine faculty, education, the students, and the missions of the institutions. She suggested that the passage of this policy will make it very difficult to retain and recruit qualified faculty. She noted that the existing policy already provides for due process, flexibility, and accountability. She questioned why the Board feels it has to implement this new policy when the current policy works. She suggested that the Board is targeting the wrong group of people in this time of economic hardship, noting faculty are the backbone of the institutions. Ms. Mina pointed out that faculty are aware that cuts have to be made, furloughs may have to be taken, and activities restricted. However, all of that can be done with the current policy. She emphasized that these policy changes are bad for faculty, bad for education, and bad for Idaho.

Alan Frantz, the Idaho State College Faculty Chair, addressed the Board. He noted that serious concerns were expressed to the Board in December related to the policy being considered. Problem areas were pointed out at that time and written objections were sent to the Board at the invitation of the Board. In spite of all the information and input provided to the Board, Dr. Frantz indicated that Board staff made no changes to the proposed policy revisions. He urged the Board to vote against the policy. Dr. Frantz pointed out that faculty are working hard to address the financial downturn. He informed the Board that some faculty have already left to take jobs elsewhere. He noted there is serious concern that it will not be possible to recruit or hire the highly qualified people needed if this policy is approved. He asked the Board to consider other alternatives.

John Miller of the University of Idaho Faculty Senate addressed the Board. He noted that the proposed policy has two pieces; one focuses on furloughs and the other on salary reductions. In speaking about the piece related to salary reductions he referred to the language giving presidents the power to reduce salaries on a permanent basis and noted that there is no

process outlined for doing so. In addition, there is not enough detail to determine just what can be done. Mr. Miller emphasized to the Board that the proposed language is very problematic. He added that he views it to be mischievous, ambiguous, and inadequate. He reiterated that the policy changes may invite unlawful action and even worse, the policy changes may be unlawful.

Lynn Lubamersky, Associate Professor of History at BSU and member of the Faculty Senate, addressed the Board. She emphasized that while the faculty supports Dr. Kustra, they had no input into this policy. Recently, a faculty survey was conducted to find out how many of them supported the proposed policy. The results show that most of the respondents do not support this policy change. Dr. Lubamersky noted that the stated purpose of the policy change is to respond to financial crisis. However, there are other approaches already in place to respond to financial hardship. She pointed out that the faculty make positive contributions to the universities and colleges, and they bring in more students and generate grant funds. As a point of information, Dr. Lubamersky indicated that the American Association of University Professors (AAUP) was asked to comment on the proposed policy. Its response suggested that the policy changes were a serious departure from acceptable academic standards and practices. She noted as well that many of the people who review grant applications sit on the AAUP and they would not be favorably inclined to award grants to institutions that are under such a cloud.

Owen McDougal of the Boise State University Faculty Senate addressed the Board. He reiterated that BSU faculty is opposed to the policy as written. He urged the Board to read through the document to make sure that the language has been cleaned up. He reminded the Board that faculty representatives had previously urged the Board to seek an official opinion of the Attorney General. On a different note, Professor McDougal also spoke about the difficulty that BSU is having in acquiring scientific and research equipment and instrumentation. He pointed out that the hoops the institutions have to go through to apply for and acquire such equipment are tedious. They delay progress and impair the ability of the institution to meet grant timelines and requirements. Also, he noted that BSU is in the process of seeking a biochemist for the third time to fill a vacant position because, so far, nobody has been willing to accept the position due to the low salary.

CONSENT AGENDA

M/S (Westerberg/Terrell): To approve the Consent Agenda as submitted.

1. BAHR – Section I – Boise State University – New Positions and Deletion of Positions

By unanimous consent, the Board agreed to approve the request by Boise State University for three (3) new positions (3.0 FTE) and deletion of two (2) positions (1.63 FTE) supported by appropriated, grant and local funds.

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

By unanimous consent, the Board agreed to approve the request by Idaho State University for one (1) new professional staff position (1.0 FTE); to increase the FTE on one faculty position (1.0 FTE); increase the FTE and term on two (2) professional staff positions (2.0 FTE); and increase the FTE and term on three (3) classified positions (2.74 FTE); supported by grant, local and state funds.

3. BAHR – Section I – University of Idaho – New Position and Reactivation of Positions

By unanimous consent, the Board agreed to approve the request by the University of Idaho to create one (1) new position (.75 FTE) and reactivate ten (10) positions (10.0 FTE) supported by appropriated and non appropriated funds.

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

By unanimous consent, the Board agreed to approve the request by Lewis-Clark State College to delete one (1) position (1.0 FTE) supported by grant funds.

5. BAHR – Section I – Intercollegiate Athletics – Employee Compensation Reports

By unanimous consent, the Board agreed to accept the report as submitted.

6. BAHR- Section II – Intercollegiate Athletics –Financial Reports

By unanimous consent, the Board agreed to accept the Athletic Reports as submitted.

7. IRSA – Quarterly Reports - Programs and Changes Approved by Executive Director

By unanimous consent, the Board agreed to accept the Quarterly Report on Programs and Changes approved by the Executive Director.

8. IRSA – Idaho Falls Local Operations Committee – Summary Report

By unanimous consent, the Board agreed to accept the Idaho Falls Local Operations Committee (LOC) report.

9. PPGAC – Alcohol Permits Issued by University Presidents

By unanimous consent, the Board agreed to accept the report as submitted.

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS

1. Boise State University Annual Report

Dr. Robert Kustra presented the BSU Annual Report to the Board. He briefly highlighted some of the innovative and entrepreneurial efforts and activities which have taken place at BSU over the past few years. Those efforts include various building improvements and new building construction paid for by bonds which did not add to the debt of the University. In addition, several new degree programs have been financed by business partners and outside contributions. Dr. Kustra indicated that while BSU is a public university, the amount of money it gets from the state is decreasing every year. On top of that, the amount of money that has been returned to the state due to holdbacks is significant over the past few years.

In the context of what is going on nationally, Dr. Kustra pointed out that BSU, along with Idaho's other public universities and colleges, is not alone in facing the challenges of these times. He observed that public university education is not what it once was because public funding is going away. The impact of these changes is primarily on the students who are asked to make

up the difference. He shared that surveys show large number of students under median income levels choose to not go onto college due primarily to the rising cost of education. This trend is seen everywhere in America, not just in Idaho. It is referred to as the decline and withering away of the public university, as we used to know it.

Dr. Kustra suggested that there are ways to create a framework to work in so that Idaho can address this issue. Among the concerns that need to be addressed are the regulations that force the institutions to operate as though they were government agencies. One example of this is the Division of Purchasing requirement of going out for bids when BSU has already verified that there is a sole vendor. This one thing creates serious time delays for BSU. Dr. Kustra pointed out that BSU has qualified staff to perform the same function.

Dr. Kustra suggested BSU needs the freedom to grow and prosper with a public purpose, but without the public regulations and constraints that tie its hands, keeping in mind that it would still be accountable to the Board. The bureaucratic hoops are costly in terms of time, money and resources. He asked the Board to advise the Director of the Department of Administration to allow the colleges and universities to do the job they are hired to do.

Moving on, Dr. Kustra shared a publication featuring a letter sent by Senator Orin Hatch to President Obama regarding the need to change the BCS system. He pointed out that the reason this is important is because it is a funding issue that impacts every institution and every conference nationwide. It's not just about athletics.

State Superintendent Luna asked if a letter could be drafted by the Board to go to the Department of Administration. Dr. Kustra indicated that a draft letter was sent to the Board. Board member Edmunds clarified with Dr. Kustra the situation with BSU in terms of its dependence on public funding. Dr. Kustra suggested that a structure could be created which included the three universities (BSU, ISU, and UI) and LCSC because these four institutions have a specific purpose and capability. As a point of clarification, Dr. Kustra explained that the funds that BSU acquires through research funds cannot be used for programs to accommodate growing enrollments, etc. Research funds have to be used for specific purposes and can't be moved around.

Mr. Edmunds asked about the community college concept. Dr. Kustra noted that transferring the community college function to the College of Western Idaho has worked for the Treasure Valley. He noted that BSU did suffer in terms of lost enrollments, but moving the community college function to CWI will benefit BSU in the future when CWI graduates pursuing higher degrees choose to enroll at BSU. He pointed out that community colleges have a property tax support system which the public universities and colleges do not.

2. Presidents' Council Report

Dr. Dene Thomas presented the report to the Board on behalf of the Presidents' Council. She noted that the institutions do not want to leave behind the public purpose of the institutions. They are very aware of the importance of their participation in economic development, addressing practical needs, and ensuring access to education for all students.

Dr. Thomas reported that the Presidents' Council shared their message with the legislators at the legislative luncheon in February. Other topics discussed by the Presidents' Council in February included tuition and fee increases, data gathering, and "Project 60".

Board member Edmunds asked if the Presidents' Council wanted the Board to take a closer look at a statewide system to allow the institutions to conduct business along the lines of what Dr. Kustra suggested in his remarks. Board President Agidius pointed out that at a previous Board meeting the suggestion came up to have a list put together that outlines the services and functions the institutions would like to pull out of the oversight of the Department of Administration. Dr. Thomas noted that the Presidents' Council has discussed this topic clarifying that the institutions have varying needs on these items and want flexibility. It was noted that there are four areas - purchasing, capital projects, payroll, and health insurance – to take a closer look at. Dr. Thomas reiterated that each institution has a different level of need for using state services in each of those areas. The institutions are not looking for a rule that says the institutions can't use state services.

Board member Edmunds asked how the Board determines what the priorities are for higher education. Dr. Kustra said that CAAP would be a perfect vehicle for that purpose. He noted that the ability of students to transfer from a community college to a four year college is much better than their ability to transfer from university to university. Dr. Mike Rush, Executive Director of the Board, pointed out that the Board's transfer policy is solid. However, the institutions may need to make sure new staff know about the policy and are following it. Dr. Thomas agreed and noted that except for isolated incidences, the process works well. Dr. Kustra explained that he was talking about an isolated situation at BSU and did not have an issue with the system as a whole. The Board members agreed it would be good to have some feedback in any case by the next Board meeting.

By unanimous consent the Board agreed to look at this issue of transferability before the next Board meeting and bring back a report to the Board at a future meeting.

3. Idaho Division of Vocational Rehabilitation Annual Report

Dr. Michael Graham, Administrator of the Idaho Division of Vocational Rehabilitation (IDVR), addressed the Board. He presented a picture of the population the agency serves. In terms of productivity, IDVR peaked in 2007. He noted that in 2009 IDVR was at the same level of productivity as 2004-2005, which is consistent with the recession. As far as the return on investment, IDVR sees a return of \$3.26 for every dollar paid in.

Dr. Graham noted that federal funds are provided by way of a very complicated federal formula. The U.S. Government is looking at the possibility of changing that formula. He noted that Idaho had to return funds at the end of 2009 and it looks like IDVR will be short on the match in 2010 which will result in the need to file a waiver.

Dr. Graham reported that there are huge challenges in finding jobs for job-ready clients, again a result of the present economy. Another challenge is that holdbacks make it impossible to meet the existing needs. The result is that people needing services have to be put on a waiting list. Cuts in funding have also made it necessary to cut the number of job coaches which cuts the number of clients the Division can serve.

On a good note, Dr. Graham reported that IDVR is using Ticket Tracker, a software that tracks individuals who have been successfully served by IDVR. The Division is reimbursed for each successful client. Also, IDVR still has stimulus funds available, and partnerships with businesses and other agencies have provided strong support.

State Superintendent Luna thanked Dr. Graham for his presentation. He asked how IDVR's plans will be affected by additional budget cuts for FY 2010. Dr. Graham noted that there would be a return of over one million dollars in federal funds for not meeting the maintenance of effort requirement. It will also be necessary to furlough staff and to leave vacant positions unfilled. He emphasized that the situation will be even more difficult and challenging in FY 2011.

By unanimous consent, the Board agreed to move to Tab 7 of the Planning, Policy and Governmental Affairs committee agenda at this time.

7. Appointment of Public School Facilities Cooperative Funding Program District Supervisor

M/S (Terrell/Soltman): To approve the appointment of Teater Consulting Firm as the Plummer-Worley School District Supervisor. The Executive Director is authorized to negotiate and sign a contract on behalf of the Board. Motion carried unanimously.

Board member Terrell presented this item and Dr. Mike Rush provided additional input. Dr. Rush noted that he is the Chair of the panel that is assigned to monitor and make decisions related to the school facilities lawsuit. He reported that the panel has done its due diligence related to the Plummer-Worley School District. The panel is in the process of setting up procedural policies to manage the project. The next step is to appoint a supervisor to act as the Board's representative to manage this project. Once that happens the school district can draw funds for this project upon the signature of said supervisor.

Dave Teater was introduced to the Board. Mr. Teater briefly discussed his background. A copy of his resume and letters of recommendation were provided in the Board agenda materials. Mr. Teater noted that he has had the opportunity to review the scope of the project. Board President Agidius reiterated that the Board's role is to select the supervisor.

State Superintendent Luna discussed the role that the Department of Education played with regard to Plummer-Worley. He explained that since the community failed to pass the bonds put before it, state funds will be used to build a new school. As a result property owners in that community will be taxed in order to repay the funds. He warned that there may be a lawsuit and encouraged the Board to make sure there is a clause in the contract that takes into account the possibility.

Board member Lewis asked for clarification on the scope and length of the contract. Board member Terrell explained it would last for the length of the project. Mr. Teater noted that the work plan put forward would have Teater Consulting take over immediately. He noted that typically a project like this takes into consideration the weather, the design and drafting of plans, etc. They only bill for work completed, and if there is a stoppage there is no billing. The fee has not been determined as yet, but it will be based on the scope of work.

Board President Agidius clarified that Teater Consulting will also do some curriculum review to make sure the design of the school fits the curriculum that will be taught. Board member Terrell noted that because this is new for the Board, he has asked Mr. Teater to come in often to provide updates and input so the Board understands what is going on and how it can make the process go more smoothly. Mr. Teater has agreed to do so.

Mr. Luna asked for clarification related to curriculum review. Dr. Rush explained that the review process that Mr. Teater mentioned is one of the things he's done with many Idaho schools already. It is a process to see what the school district intends to offer in order to make sure that the school building will meet the needs of the curriculum. The local district's curriculum drives the building.

On the question of the fees that are paid for construction and how they are recovered, Dr. Rush indicated that is a question that the panel has asked as well. What was concluded is that the total project cost would include the cost of the district supervisor and the cost of the construction manager. All of those costs would be recovered from the local tax payers.

Mr. Teater explained that the process will start with a thorough review of what has been done already. If there are plans that have been developed, they will be reviewed. If it looks like there needs to be adjustments, those adjustments and changes will be made. It has been made very clear what the dollar amount is what is available to work with. Dr. Rush noted that one of the characteristics of Mr. Teater's company is that he has significant experience over multiple districts over multiple years dealing with this very thing.

4. Eastern Idaho Technical College Advisory Council Appointment

M/S (Terrell/Edmunds): To approve the reappointment of Renee R. Magee to the Eastern Idaho Technical College Advisory Council for a term beginning immediately and ending December 31, 2013. Motion carried 7-0 (Lewis absent during the vote).

5. Legislative Update

Mark Browning of the Board Office presented this item to the Board. He explained that the legislation highlighted in the Board agenda is Board-related or education-related. Board President Agidius thanked Mr. Browning and other Board staff for the hard work and long hours they've put in during the legislative session.

6. State Board of Education Strategic Planning

M/S (Terrell/Edmunds): To approve the Goals and Objectives of the State Board of Education 2011-2015 Strategic Plan with the following changes: With respect to the Vision that the second sentence be deleted. And, with respect to the Mission statement to insert the words "improve each Idahoan's quality of life and enhance Idaho's global competitiveness." Motion carried unanimously.

Board member Terrell introduced this item. Tracie Bent of the Board office provided more detail and explained that the goals and objectives in the strategic plan are based on the work already done by the Board. Board staff are still working on the performance measures.

Board member Lewis indicated that he is in favor of what has been put before the Board at this time. He noted that members of the Board continue to work on fine tuning it. In terms of the vision and mission statement he suggested that there be some clean-up. He suggested that with respect to the vision statement that the second sentence be deleted. And, with respect to the mission statement that it be revised to read "improve each Idahoans quality of life and enhance Idaho's global competitiveness."

Board member Edmunds asked about the use of the term “highly educated” and suggested substituting the word “well” for “highly”. Board member Lewis indicated that highly is something to aspire to. Board member Terrell agreed that highly infers an aspiration not a degree. He would like his employees to be educated at the highest level they are able to attain. Board member Lewis agreed and pointed out that in the state of Idaho, it is a battle trying to convince more students to attain more education. He expressed the view that the Board ought to encourage Idaho’s students to aspire to more. Board member Edmunds withdrew his suggestion.

Board member Westerberg asked about the strategic plan process and when the performance measures will be added. Ms. Bent indicated that Board staff have started with the performance measures approved at the December Board meeting. They are researching benchmarks and indicators and will make sure that the Board sees those as soon as possible. Mr. Westerberg asked that there be enough time for the Board to reconsider the benchmarks and perhaps makes changes. Ms. Bent indicated that input will be solicited from the institutions as well.

Dr. Rush pointed out that the performance measures have been reviewed the last two years and that review process will continue each year in October. It was suggested by Board President Agidius to have that activity occur in a more obvious way so that all the Board members are aware that is taking place.

DEPARTMENT OF EDUCATION

1. Superintendent’s Update

State Superintendent Luna updated the Board. He reported that a middle school in Gooding received a national award for their child nutrition program. The Race-To-The-Top grant was submitted; in March, finalists will go to Washington D.C. to make in-person presentations; awards will be announced in April. Mr. Luna indicated that 59 school districts and 21 charter schools participated in the grant.

Mr. Luna indicated that the Joint Finance and Appropriations Committee (JFAC) will set the K-12 budget on March 1, 2010. He noted that there has been significant progress this past year in AYP and there has been improvement in math scores and reading assessments as well. Mr. Luna pointed out that in order to keep these results moving forward it is important to continue to focus on the goal in spite of the economy and budget numbers.

Mr. Luna briefly reviewed the public schools budget and discussed steps the Department has taken to offset cuts. Additional sources of revenue need to be found. A transfer from the Public Schools Earnings Reserve could be tapped. The Land Board had agreed to release \$22 million from the reserve fund. Also, the Department identified two other fund sources as well within the Department which would bring the total amount of additional revenue to over \$27 million.

Cuts to programs, that may need to be made, include eliminating the early retirement incentive program, eliminating transportation reimbursement for field trips and reducing the funds for classroom supplies, technology, and textbooks. Mr. Luna indicated that even with those cuts there would still be an additional amount of money that would have to be cut out of the budget. To address that, percentage cuts would be made to a number of programs and activities including the Math Initiative, ISAT Remediation, Limited English Proficiency, Idaho’s Reading Initiative, the Idaho Digital Learning Academy, and salaries and state-paid benefits. Mr. Luna

pointed out that if the Legislature cuts a greater percentage of the Department's budget, that percentage amount would increase.

Board member Terrell raised a point about the proposed cut to teachers' salaries, comparing them to what the general public and other businesses have had to cut and suggested that it wasn't enough. Mr. Luna noted that percentage is driven by the budget number the Governor put on the table. He explained that if teacher salaries are reduced much more the result will be a reduction in student contact hours; that will negatively impact student achievement. He also pointed out that the state does not set teacher salaries; local districts do that.

Board member Westerberg asked about high school redesign and possible further delays. Mr. Luna noted that when the higher graduation standards were adopted there was speculation about possible costs, for example in the area of math. Mr. Luna pointed out that those costs didn't materialize at the level that was predicted. In addition there are a number of new approaches and initiatives in place to advance education.

Board President Agidius asked about the need for the Board to state its position on the subject. Board member Lewis urged that the Board strongly support the continuance of the program in order to meet the goals and objectives of the Board. He pointed out that the additional requirements were focused on a specific requirement for high school students to have enough rigor in their high school education that they could go onto higher education. Without this rigor it will be impossible to achieve the goals.

By unanimous consent, the Board agreed for staff to handle this issue based on the expressed views of the Board members.

2. MOU for the Mosaic and Smarter Consortiums

M/S (Luna/Terrell): To approve Idaho's participation in the MOSAIC and SMARTER consortia. Motion carried unanimously.

Dr. Carissa Miller from the Department of Education discussed this item. Board member Lewis clarified that the funds for this will come from a grant. Dr. Miller noted there are two grants in this case. She pointed out that Idaho is not bound to go forward if the grant funds go away. However, there may be other avenues for Idaho to take.

3. Mapping State Proficiency Standards onto NAEP Scales Report

Dr. Carissa Miller discussed this item. She explained that the National Center for Education Statistics conducted a research study about using NAEP as a common yardstick in order to provide a context for understanding the rigor of state tests. She indicated that one of the weaknesses that the study found with the NAEP numbers is that the NAEP numbers lead to conclusions that are not necessarily correct. She pointed out that Idaho's proficiency standards for the ISAT math tests for the 4th and 8th grades were rated above NAEP's basic cut-score.

Board member Lewis asked if Idaho's cut-scores are at the right level. Dr. Miller noted that because of the approach NAEP used it didn't actually get to the cut-scores. She indicated that students are achieving above grade level. However, if the Board wants to change the cut-scores that is a policy issue that should be looked at.

4. Youth Risk Behavior Survey Report and the Substance Use, Safety, and Presentation

Matt McCarter and Pat Stewart from the Department of Education presented the Board with information regarding current and trend data on the health status of Idaho's youth from the 2009 Youth Risk Behavior Survey Report and the Substance Use, Safety, and School Climate Report. Mr. McCarter shared with the Board about risk behaviors of students at the K-12 level. Risk behaviors include the use of alcohol, tobacco, illicit drugs, and marijuana. He emphasized that the need to educate students at a younger and younger age is critical. Ms. Stewart reviewed the general trends in other areas including sexual intercourse, teen violence, suicide, obesity, and mental health. She noted that Idaho is seeing an increase in its teen pregnancy rate. She reported that it has been shown that school connectedness helps students because when students are engaged in school and involved in positive school relationships, they have a better chance of avoiding or getting through the risk behaviors.

Board member Terrell asked the Department to provide the Board with copies of the reports. Mr. Luna will make that available to the Board. It was noted that the information is also available on the web.

5. Idaho Professional Standards Commission 2008-2009 Annual Report

Nick Smith of the Department of Education presented this report to the Board. He noted that the report is an overview of everything that the Professional Standards Commission has accomplished this past year. Mr. Luna clarified that the annual report contains all the items brought before the State Board during the past year.

6. Weiser School District No. 431 Tuition Waiver

M/S (Luna/Terrell): 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 2009-10, 2010-11, 2011-12, and 2012-13 school years, subject to annual review by the Weiser School District Board of Trustees. Motion carried unanimously.

Mr. Luna presented this item and pointed out that it comes before the Board every year.

7. Appointments to the State Board Restructuring Plans Subcommittee

M/S (Luna/Edmunds): To approve the request by the State Department of Education to approve Scott Crane, Gary Johnstone, Bill Parrett, Greg Alexander, Marybeth Flachbart and Anne Ritter as members of the Restructuring Subcommittee, all for a term of three years. Motion carried unanimously.

Mr. Luna presented this item. Board President Agidius appointed Emma Atchley, with her agreement, to serve on that committee.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

1. Appointment of Idaho Experimental Program to Stimulate Competitive Research (EPSCoR) Committee Members

M/S (Edmunds/Terrell): To approve the reappointments of: Pamela Crowell, the Idaho State University Vice President for Research as the representative of Idaho State University; Representative Maxine Bell as the representative for the Idaho House of Representatives; Senator John Goedde as the representative for the Idaho State Senate; Doyle Jacklin as a representative of the private sector; Denny Stevens as a representative of the private sector; and to appoint Brian Dickens, Administrator, Commercial Innovation Division as the representative for the Idaho Department of Commerce, all effective July 1, 2010. Motion carried unanimously.

2. Accountability Oversight Committee

M/S (Edmunds/Westerberg): To approve establishing an Accountability Oversight Committee to provide oversight of the statewide assessment system. Motion carried unanimously.

M/S (Edmunds/Westerberg): To appoint Christine Donnell to the Accountability Oversight Committee for a two (2) year term, and to appoint her to serve as Chair for a one (1) year term; to appoint Sharon Parry to the Accountability Oversight Committee for a two (2) year term; to appoint John Goedde to the Accountability Oversight Committee for a one (1) year term; and to appoint Jackie Thomason to the Accountability Oversight Committee for a one (1) year term, effective July 1, 2010, all subject to ultimate approval of the policy. Motion carried unanimously.

Board member Edmunds presented this item. There was discussion to who appoints the committee members and committee chair. Dr. Rush explained that this is a Board committee. The Governor made recommendations as to who should be appointed and also recommended who the chair should be. The Board is making the appointments he recommended.

3. First Reading, New Board Policy III. A.A., Accountability Oversight Committee

M/S (Edmunds/Westerberg): To approve the first reading of Board Policy III. A.A., Accountability Oversight Committee as submitted. Motion carried.

At this time Dr. Peter Goodwin was introduced. He is the new EPSCoR/DeA Project Director. The Board welcomed him.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Section I – Human Resources

1. Idaho State University – Employment Agreement – Head Football Coach

M/S (Westerberg/Soltman): To approve the request by Idaho State University for approval of the extension of the Employment Agreement for John Zamberlin as the Head Football Coach (1.0 FTE) as submitted. Motion carried 6-0 (Atchley and Lewis absent during the vote.)

Board member Westerberg presented this item. He noted it is in conformance with the Board's contract requirements.

2. Amendments to Board Policy – Sections II.B.2., II.F.1-2, II.G.1, II.N. – Second Reading

By unanimous consent, the Board agreed to move this item to later in the meeting agenda.

Section II – Finance

1. Boise State University – Capital Project Request – COBE Building

M/S (Westerberg/Soltman): To approve the request by Boise State University to proceed with construction of the new College of Business and Economics building for a cost not to exceed \$37,000,000. The university intends to issue bonds to finance a portion of this building and will seek Board approval at the April 2010 meeting to issue these bonds prior to starting construction. Motion carried 7-0 (Terrell withdrew from the discussion and the vote due to a possible conflict of interest).

Board member Westerberg presented this item. Board member Terrell withdrew from the discussion and the vote due to a possible conflict of interest.

2. Boise State University – Ground Lease Review – ACC

Board member Terrell notified the Board that he has a conflict of interest on this item and withdrew from the discussion.

Board member Lewis asked about the length of the lease and the lease extensions. Stacy Pearson of Boise State University explained that this is consistent with other ground lease terms used by American Campus Communities. Board member Lewis asked about the obligations of both parties when the property begins to deteriorate. Ms. Pearson pointed out that there is a requirement for American Campus Communities to keep the property in Class-A standard condition; BSU will hold the property owners to that standard. Board member Lewis asked if the maintenance requirement applies to the structural integrity, infrastructure, finishes, walls, etc. Ms. Pearson assured Mr. Lewis that is the case.

Board member Soltman asked what the track record is for American Campus Communities in maintaining a complex like this. Ms. Pearson noted that it is reasonable and that BSU is confident that it has defined everything clearly in the agreement and that the document will stand. She clarified that this item is on the agenda now as an information item; it will be brought before the Board in April for consideration. Kevin Satterlee of Boise State University noted that the provisions of the agreement state that this company can only assign their rights to a qualified assignee, and the definition of qualified is detailed carefully so that there won't be issues.

3. University of Idaho – Kibbie Activity Center – Dome Enhancements – Design Phase

M/S (Westerberg/Soltman): To approve the request by the University of Idaho to implement the Design Phase for the Enhancement and Improvements project in the ASUI Kibbie Activity Center, at a cost not to exceed \$671,000, funded from private donations. Authorization includes the authority to execute all requisite consulting, design and vendor contracts necessary to fully implement the design phase for the project. Motion carried unanimously.

Lloyd Mues of the University of Idaho presented this item. He explained that it will be funded by private donations.

4. University of Idaho – Kibbie Dome – Life Safety Project – East Wall Replacement

M/S (Westerberg/Soltman): To approve the request by the University of Idaho to implement the Additional Construction Phase for the ASUI Kibbie Activity Center (Kibbie Dome) Life Safety Improvements project at a total additional cost not to exceed \$11,000,000. Total authorization for the complete ASUI Kibbie Activity Center Life Safety Improvements project is hereby raised to \$23,000,000. Authorization includes the authority to execute all requisite consulting, design, construction and vendor contracts necessary to fully implement the project. This authorization is subject to approval of project financing. Motion carried unanimously.

Lloyd Mues reported that the University of Idaho has worked with its bank to get the funds to do the west wall. A bond will pay off the construction loan and also fund the remainder of the project in full. This is not the part that will be funded by donations. The bond will be financed by facility fees. Board member Terrell noted that facility fees do come out of the fees students pay as do the activity fee, and the technology fee. He reiterated that the plan for this facility has not changed; it has just slowed down.

5. University of Idaho – Boise Issuance

M/S (Westerberg/Edmunds): To approve the request by the University of Idaho for a Supplemental Resolution for the Series 2010A, 2010B, 2010C, and 2011 Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION of the Regents of the University of Idaho authorizing the issuance and sale of (i) General Revenue Refunding Bonds, Series 2010A, in the principal amount of up to \$13,000,000 (the “Series 2010A Bonds”);(ii) General Revenue Bonds, Series 2010B, in the principal amount of up to \$12,000,000 (the “Series 2010B Bonds”); (iii) Taxable General Revenue Bonds, Series 2010C (Issuer Subsidy–Build America Bonds), in the principal amount of up to \$16,000,000 (the “Series 2010C Bonds”); and (iv) Adjustable Rate General Revenue Refunding Bonds, Series 2011, in the principal amount of up to \$67,000,000 (the “Series 2011 Bonds” and collectively with the Series 2010A Bonds, the Series 2010B Bonds, and the Series 2010C Bonds, the “Series 2010/11 Bonds”), authorizing the execution and delivery of Bond Purchase Agreements related to the Series 2010/11 Bonds, and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2010/11 Bonds.

A roll-call vote was taken; motion carried unanimously.

Board member Westerberg introduced this item. Kimi Lucas, Kent Nelson, Rick Skinner, and Lee White were introduced by Mr. Mues. They are employed by the University of Idaho.

Board member Lewis asked about the debt and the life of the asset. Mr. White explained that the buildings in question have a long asset life. He noted that the longest term bond is for 31 years. He indicated there is interest rate exposure, but it is a very small amount of exposure.

Mr. Lewis pointed out that, in the past the Board asked for a statement of the bond ratio of the institutions when it comes to the issuance of bonds. Board President Agidius agreed that the Board should return to that practice. Mr. Westerberg asked that he be provided with further information. Stacy Pearson of BSU explained that at one point the institutions had an eight percent of-debt-ratio that the institutions could not exceed. Mr. Westerberg noted that the Business Affairs and Human Resources committee will take it as an assignment to set policy on the debt-ratio percentage and bring it back to the Board.

At this time Mr. Luna was excused from the rest of the meeting in order to attend to other business.

Also, the Board took up Tab 2 of Section 1 of the Business Affairs and Human Resources agenda.

2. Amendments to Board Policy – Sections II.B.2., II.F.1-2, II.G.1, II.N. – Second Reading

M/S (Westerberg/Soltman): To approve the second reading of the proposed amendments to Board Policies II.B.2; II.F.1 & 2., II.G.1; and II.N., as amended. Motion carried 7-0 (Luna excused).

Board member Lewis reviewed the policies and explained that additional changes had been made based on discussions and input received. The Board's legal counsel and university legal counsel had provided a revised version for review. Mr. Lewis went through the proposed changes for the benefit of the Board. A hand-corrected copy with those changes was provided to the Board staff to incorporate into the proposed policy.

He noted that the over-riding point of clarification in the change on the first page is to provide authority to Executive Officer to institute employment actions in the area of work hour adjustments and not with respect to termination. He clarified that changes throughout the document are related to work hour adjustments and not to actions related to reduction of force. Under policy, the institutions already have the power to take whatever action they need after an employment contract ends. Mr. Lewis reiterated that the Board doesn't need to say any more about that in policy.

At this time the Board returned to Tab 6 of Section II of the Business Affairs and Human Resources agenda.

6. University of Idaho – Property Easement – Bus Shelter

M/S (Westerberg/Soltman): To approve the grant of a temporary, non-exclusive easement to the City of Moscow in substantial conformance to the form submitted to the Board in Attachment 1, and to authorize the University's Vice President for Finance and Administration to execute the easement. Motion carried 7-0 (Luna excused).

7. University of Idaho – Contract for Dining Services

M/S (Westerberg/Atchley): To approve the agreement between the University and Sodexo America, LLC, in substantial conformance to the form submitted to the Board in Attachment 1, and to authorize the Vice President for Finance and Administration to

execute the contract and any necessary supporting documents. Motion carried 7-0 (Luna excused).

Board member Westerberg presented this item.

8. Lewis-Clark State College – Property Sale

M/S (Westerberg/Terrell): To approve the request by Lewis-Clark State College to sell the property located at 508 6th Avenue, Lewiston, Idaho, for \$115,000, and to authorize LCSC's Vice-President for Finance and Administration to sign all necessary documents to complete the sale on behalf of the State Board of Education in its capacity as the Board of Trustees for the College. Motion carried 7-0 (Luna excused).

9. Pulled from the Agenda

10. 2009 Financial Review

The Board agenda included detailed information from each institution related to the financial health of the institutions. Each institution briefly commented on the financial reviews. It was noted that the economic downturn did have a negative impact on the financial health of each of the institutions.

Stacy Pearson of BSU indicated that the Financial Vice Presidents agreed that there needs to be a better way to display the unrestricted funds. Mr. Westerberg noted that there may be a need for Board policy to set a minimum for the unrestricted financial reserves. Jim Fletcher of Idaho State University pointed out that it is important to separate the university performance from the foundation performance. It is not useful for management to display those two together as a single number. Lloyd Mues explained that the institutions adopted the CFI a few years ago; it favors debt. Chet Herbst of Lewis-Clark State College agreed this is a work in progress and cautioned the Board to be careful before applying the results. He urged the Board to keep broadening the view. He also encouraged the Board to look at the workload adjustment formulas that were put in place many years ago. It creates a disproportionate advantage for institutions with the most upper level courses.

Board member Westerberg thanked the institutions. Board member Edmunds asked about other measurements. Board member Westerberg indicated there will be discussions inside of Business Affairs and Human Resources committee related to that.

11. Amendment to Board Policy – Section V.K. – Construction Projects – First Reading

M/S (Westerberg/Soltman): To approve the first reading of the amendment to Board Policy V.K., Construction Projects. Motion carried 7-0 (Luna excused).

Board member Westerberg presented this item.

12. Amendment to Board Policy – Section V.B. – Budget Policies – Occupancy Costs – First Reading

M/S (Westerberg/Lewis): To approve the first reading of the proposed amendment to Board Policy V.B., as submitted. Motion carried 7-0 (Luna excused).

Board member Westerberg presented this item. Matt Freeman of the Board office provided additional input. It was clarified that notice will be given to the Legislative Services Office and the Governor's Office about projects approved by the Board. This puts them on notice that, in the future, requests for occupancy costs will come before the Legislature. Mr. Freeman explained that this policy clearly defines eligible space and noted that there is a mechanism in place to make sure the notice gets sent to the Legislative Services Office as soon as a project is approved.

13. Amendment to Board Policy – Section I.N.1. – Reimbursement Policy – Second Reading

M/S (Westerberg/Terrell): To approve the second reading of the Idaho State Board of Education Governing Policies & Procedures, Section I.N.1., as submitted. Motion carried 7-0 (Luna excused).

Board member Westerberg presented this item.

14. Amendment to Board Policy – Section V.W. – Litigation – Second Reading

M/S (Westerberg/ Atchley): To approve the second reading of Idaho State Board of Education Governing Policies and Procedures V.W., Litigation as submitted. Motion carried 7-0 (Luna excused).

OTHER BUSINESS

There being no further business a motion to adjourn was entertained.

M/S (Westerberg/Atchley): To adjourn the meeting at 5:02 p.m. Motion carried 7-0 (Luna excused).