

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

TAB	DESCRIPTION	ACTION
1	BOISE STATE UNIVERSITY Furniture, Fixtures & Equipment Request – Center for Environmental Sciences & Economic Development (CESED)	Motion to approve
2	BOISE STATE UNIVERSITY Capital Project - Renovation & Remodel – Vivarium	Motion to approve
3	BOISE STATE UNIVERSITY Capital Project - Locker Rooms Addition to Taco Bell Arena	Motion to approve
4	BOISE STATE UNIVERSITY Ground Lease Agreement - American Campus Communities	Motion to approve
5	BOISE STATE UNIVERSITY General Revenue Bonds Issuance - College of Business & Economics (COBE)	Motion to approve
6	BOISE STATE UNIVERSITY Naming/Memorializing Buildings & Facilities - College of Business & Economics (COBE)	Motion to approve
7	UNIVERSITY of IDAHO Railroad Property Exchange Agreement	Motion to approve
8	UNIVERSITY of IDAHO Capital Project – Janssen Engineering Student Services Center Suite-Renovations & Improvements	Motion to approve
9	FY 2012 LINE ITEMS	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

TAB	DESCRIPTION	ACTION
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	FY 2011 APPROPRIATIONS	
10	a. Information - Institutions & Agencies b. College & Universities c. Community Colleges d. Professional-Technical Education e. Promise A Scholarship f. Promise B Scholarship g. Opportunity Scholarship	Motion to approve
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11	AMENDMENT TO BOARD POLICY Section V.K. – Construction Projects 2nd Reading	Motion to approve
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12	AMENDMENT TO BOARD POLICY Section V.B., Budget Policies – Occupancy Costs, 2nd Reading	Motion to approve
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13	STUDENT HEALTH INSURANCE CONTRACT	Motion to approve
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14	AMERICAN RECOVERY AND REINVESTMENT ACT State Fiscal Stabilization Fund & Education Reform Assurances	Information item
<hr/>		
15	IDAHO STATE UNIVERSITY Administrative Cost Reductions	Motion to approve
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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOISE STATE UNIVERSITY

SUBJECT

Request to purchase furnishing, fixtures and equipment (FF&E) for the Center for Environmental Sciences and Economic Development (CESED)

REFERENCE

October 2003	Board approved request to proceed with planning and design of an Environmental Science and Policy Center
October 2005	Board approved Campus Master Plan Update
June 2006	Board approved request to expand the scope of planning and design of the Environmental Science and Policy Center and complete design and programming plans
November 2006	Information item on facilities financing including cost estimate of CESED construction at \$35,000,000
February 2007	Capital project financing update
April 2007	Increase in Strategic Facilities Fee approved for construction of CESED
February 2008	Capital project financing update
June 2008	Board approved request for construction of CESED
February 2009	Board authorized issuance of general revenue and refunding bonds

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3

BACKGROUND/DISCUSSION

In June 2008, the Board approved Boise State University's request to proceed with construction of CESED for a total project cost not to exceed \$42,889,642. Construction is underway and expected to be complete in March 2011 and the building operational by summer 2011. The University now seeks approval to contract for the purchase and installation of FF&E for the facility at a cost not to exceed \$2,275,000. The State of Idaho, Division of Purchasing, will conduct the formal solicitation process for Boise State University. Multiple contracts may be awarded based on the proposals received. The source of funds will be the funds sources identified for the June 2008 construction budget previously approved by the Board.

IMPACT

Due to a favorable bid result, the estimated \$2,275,000 purchase and installation costs for FF&E can be funded from the June 2008 CESED construction budget previously approved by the Board.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

STAFF COMMENTS AND RECOMMENDATIONS

Staff finds this request meets Board Policy for purchases in excess of \$500,000 and recommends approval.

BOARD ACTION

A motion to approve the request by Boise State University for the purchase and installation of furniture, fixtures and equipment for CESED at a cost not exceed \$2,275,000 utilizing funds approved for CESED in the June 2008 construction approval by the Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOISE STATE UNIVERSITY

SUBJECT

Renovation and remodel of existing campus space for an extramural research facility, a grant-funded vivarium

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.2.

BACKGROUND/DISCUSSION

Due to continued growth in enrollment, programs and research, Boise State University is in need of additional and improved space for a vivarium, an enclosed area used to house animals for research purposes.

In early 2009 a vivarium feasibility study was conducted which reviewed the programmatic needs and studied potential solutions. The study identified existing on-campus warehouse space currently being utilized by the campus bookstore that could be remodeled into a 6,200 sq. ft. vivarium. The location is ideal as it is will allow for additional expansion at the same site should the need arise in the future.

The University applied for and has been awarded a federal grant that will provide \$3,978,104 in funds for the design and construction of this vivarium.

IMPACT

Based on consultants' estimates, the total estimated project cost is \$4,278,104, as seen in Attachment 2. With continuing volatility in the construction market, inflation risk and unforeseen additive alternates, the University has planned additional reserve funds should they be necessary to award the bid. Any increases to the budget will be approved as required by Board policy.

The main source of funds will be a federal grant in the amount of \$3,978,104. Institutional funds of \$300,000 will be added to cover portions of the project which are not funded by the grant. These two sources combine for a total project cost of \$4,278,104.

In addition to these funds, the University has requested and expects to receive through its FY 2011 Alterations and Repair request an additional \$500,000 in Set-B State of Idaho Permanent Building Funds to further enhance and expand the vivarium. These funds will be authorized, provided and expended through the appropriate channels for funds allocated through the State of Idaho Permanent Building Fund Council.

This project will be procured through the standard process using the State of Idaho's Division of Public Works and State of Idaho Department of

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

Administration, Division of Purchasing, as appropriate. Multiple contracts may be awarded and the University may proceed with purchase and installation of furniture, fixtures and equipment if budget authorization is sufficient under the approved action of this agenda item.

ATTACHMENTS

Attachment 1 – Capital Projects Tracking Form
Attachment 2 – Project Budget

Page 3
Page 4

STAFF COMMENTS AND RECOMMENDATIONS

Staff finds this project meets Board Policy for major project approval in excess of \$500,000 and recommends approval.

BOARD ACTION

A motion to approve the request by Boise State University to proceed with the renovation and remodel of existing space for the purposes of a vivarium for a total project cost not to exceed \$4,278,104.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
Mar-10

History Narrative

1 **Institution/Agency:** Boise State University **Project:** Vivarium
2 **Project Description:** Renovation and remodel of existing campus warehouse space for a biomedical research animal vivarium.

3 **Project Use:** Provide adequate and modern space for the purposes of a vivarium
4 **Project Size:** An approximate 6,200 square feet of interior occupied spaces

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
Initial Cost of Project	\$ -	\$ -	\$ 4,278,104	\$ 4,278,104	\$ 327,147	\$ 2,682,474	\$ 1,268,483	\$ 4,278,104
Total Project Costs	\$ -	\$ -	\$ 4,278,104	\$ 4,278,104	\$ 327,147	\$ 2,682,474	\$ 1,268,483	\$ 4,278,104

History of Funding:	* Other Sources of Funds						
	PBF	ISBA	Institutional Funds	Student Revenue	Other	Total Other	Total Funding
	\$ -	\$ -	\$ 300,000		\$ 3,978,104	\$ 4,278,104	\$ 4,278,104
							\$ -
Total	\$ -	\$ -	\$ 300,000	\$ -	\$ 3,978,104	\$ 4,278,104	\$ 4,278,104

**Architectural & Engineering Services
Project Budget**

Project Number:	DPW10-202
Project Title:	Vivarium
Date:	3/10/2010

Category	Budget
Architectural Fees	327,147
Construction Costs	2,682,474
Testing, Inspections and Misc.	190,259
Construction Contingency	145,254
Subtotal	3,345,134

University Costs	664,723
Project Contingency	268,247

Total Project	\$ 4,278,104
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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOISE STATE UNIVERSITY

SUBJECT

Construction of locker rooms addition to the Taco Bell Arena

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.2.

BACKGROUND/DISCUSSION

A shortage in athletic locker rooms, storage and support facilities currently exists on the Boise State University campus due to current and future growth in women's programs to meet Title IX initiatives. Athletics has also indicated a need for improved locker room facilities to allow the basketball programs to compete with other Division 1A programs to recruit high-caliber athletes and support student athletes' daily needs.

In November 2007 the University concluded a feasibility study for this project. This study was led by LCA Architects and included cross-functional university representation. This study examined the current and future needs for athletic locker rooms and related support facilities and developed a program for the Taco Bell Arena basketball locker rooms. The study also looked at the proposed location and costs for the program improvements. The feasibility study served as the foundation for later studies which advanced the concepts from the study into comprehensive planning and design. Following the completion of the feasibility study, the University, working through the State Division of Public Works, retained a consultant for design and construction documents for the facility. Design is now complete and the University seeks approval to proceed with construction.

The proposed approximately 10,400 square feet, two-story addition will be built on the southwest side of the Taco Bell Arena to provide close access to both the Auxiliary Gym and Taco Bell Arena main floor. The project as currently envisioned includes men's and women's basketball locker rooms with showers and restrooms, coaches' dressing rooms, film screening areas, new student athlete lounges with study and recreation areas and a common lobby with elevator. This project ultimately allows Athletics to address the space needs of six sports. Current plans indicate women's volleyball and gymnastics would move into the vacated basketball locker rooms, freeing up space to support women's swimming and softball programs needs.

IMPACT

Based on the design development documents, the total estimated project cost is \$2,960,000, as seen in Attachment 2. With continuing volatility in the construction market, inflation risk, and unforeseen additive alternates the University has planned additional reserve funds should they be necessary to award the bid.

BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 22, 2010

The intention is to solicit construction bids in order to solidify the budget while continuing to raise additional funds for the project. Construction will not proceed until 100% of the amount has been raised in cash and committed pledges. Any increases in the budget, if needed, will be approved as required by Board policy.

Source of funding for construction will be a combination of bond reserves and cash gifts. The Foundation has cash on hand of \$1,670,000 for the project with additional pledges totaling \$997,000 to be collected over the next several years for a total of \$2,667,000. The University will use the bond reserves to close the gap between the cash gifts and total project cost. Athletics will reimburse the University's bond reserves as the pledges are collected. If necessary, program revenues will be used repay the bond reserves. No appropriated or student fee dollars will be used for this project. The projected funding package is as follows:

Gifts (cash on hand):	\$ 1,670,000
Bond Reserves Lending	<u>1,290,000</u>
Total	\$2,960,000

This project will be procured through the standard process using the State of Idaho's Division of Public Works and State of Idaho Department of Administration, Division of Purchasing, as appropriate. Multiple contracts may be awarded and the University may proceed with purchase and installation of furniture, fixtures and equipment if budget authorization is sufficient under the approved action of this agenda item.

ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

Page 3

Attachment 2 – Project Budget

Page 4

STAFF COMMENTS AND RECOMMENDATIONS

BSU's bond covenants require it to collect 10% more than what is needed for debt service. As a result, BSU can use student fees in excess of its debt service to float a loan to Athletics until the pledge payments for this project are received. This internal loan enables the university to leverage its reserves for strategic projects. Staff finds this project meets Board Policy for major project approval in excess of \$500,000 and recommends approval.

BOARD ACTION

A motion to approve Boise State University's request to proceed with construction and related activities for the Locker Room Additions, Taco Bell Arena, for a total project cost not to exceed \$2,960,000.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
Mar-10

History Narrative

1 **Institution/Agency:** Boise State University **Project:** Basket Ball Locker Room Additions, Taco Bell Arena
2 **Project Description:** Construction of an approximate 10,400 sq ft locker room and related facilities to support the current and future needs of athletic programs. Facility to be adjacent to Taco Bell Arena and assist the University in meeting Title IX initiatives for women's sports programs.
3 **Project Use:** Provide additional locker room capacity and improved locker rooms and related facilities
4 **Project Size:** An approximate 10,400 square feet of interior occupied spaces

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
Initial Cost of Project	\$ -	\$ -	\$ 2,960,000	\$ 2,960,000	\$ 242,000	\$ 2,300,000	\$ 418,000	\$ 2,960,000
Total Project Costs	\$ -	\$ -	\$ 2,960,000	\$ 2,960,000	\$ 242,000	\$ 2,300,000	\$ 418,000	\$ 2,960,000

History of Funding:	Institutional Funds				* Other Sources of Funds			Total Funding
	PBF	ISBA	Student Revenue	Other	Total Other			
	\$ -	\$ -	\$ -	\$ 2,960,000	\$ 2,960,000			\$ 2,960,000
								\$ -
								\$ -
Total	\$ -	\$ -	\$ -	\$ 2,960,000	\$ 2,960,000			\$ 2,960,000

**Architectural & Engineering Services
Project Budget**

Project Number:	DPW09-201
Project Title:	Basketball Locker Room Addition, Taco Bell Arena
Date:	3/1/2010

Category	Budget
Architectural Fees	242,000
Construction Costs	2,300,000
Testing, Inspections and Misc.	25,000
Construction Contingency	126,500
Subtotal	2,693,500

University Costs	166,500
Project Contingency	100,000

Total Project	\$ 2,960,000
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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOISE STATE UNIVERSITY

SUBJECT

Ground lease with American Campus Communities

REFERENCE

February 2008	Board approved extension of Expansion Zone & Capital Projects update
June 2009	Board approval of MOU with American Campus Communities
February 2010	Board review of summary ground lease terms

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.K.1. and V.I.5.b.(1)

BACKGROUND/DISCUSSION

As enrollment at Boise State University continues to grow, demand for on-campus housing continues to exceed capacity. Because of this shortfall, students who want to live on campus are currently living at the University Inn and in off-campus hotel rooms. Over the past three years, applications for on-campus housing have increased by over 70%. Conservative estimates are that the University needs an additional 3,000-6,000 beds to meet this demand.

To meet the growing demand for on-campus housing, the University seeks to partner with American Campus Communities (ACC), one of the nation's largest developers, owners and managers of high-quality student housing communities, to develop and manage new on-campus housing. Since 1996, ACC has developed and acquired more than \$2 billion in student housing assets. Working with ACC allows the University to develop new housing without issuing debt or using central cash reserves.

The terms of the proposed transaction were contained in a Memorandum of Understanding (MOU) approved by the Board in June, 2009. After Board approval, the University worked with ACC to finalize the planning and construction approval processes and scheduled construction, to begin in May. The primary terms of the lease were set forth in the MOU. The terms of the MOU contemplate a student housing project consisting of two primary phases, Phase 1 and Phase 2. This lease only addresses Phase 1.

The primary terms of the lease with ACC are as follows:

- The University will ground lease property in its designated expansion zone to ACC for a 65 year term with a lessee option to extend the term for two periods of 10 years.

BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 22, 2010

- ACC will design, develop, build and manage student housing on the leased property. Phase 1 will include approximately 874 beds, the majority of which will be substantially complete and ready for occupancy for the Fall 2011 semester. **ALL** the improvements will, at all times, be owned by the University, but leased to ACC.
- ACC will make semi-annual ground lease payments to the University. These rent payments are a percentage of the ACC gross revenues and as such will vary based upon actual rents (assumes property is tax-exempt¹).
- ACC's construction cost savings, if any, will be shared with the University.
- The University will receive additional rent if the project revenues exceed expectations via a formula for sharing in this "upside participation."
- ACC must construct the project to the standards agreed to in the MOU (outline specifications and concept plans). The University agrees not to build competing housing unless a study shows reasonable demand and the new housing will not adversely impact the ACC project.
- ACC agrees not to develop competing housing without prior written approval from the University unless a study demonstrates that doing so would not materially and adversely affect the demand for the ACC project.
- ACC will be responsible for all maintenance, operation and upkeep of the facility to a "Class A Standard."
- ACC will operate the project pursuant to University student residential life program standards.
- The University will agree to make available adequate parking commensurate with the needs of the University and the project at costs commensurate with the relative value of the parking needed.

IMPACT

The primary benefit of a public-private partnership for on-campus housing for Boise State University is the ability to reserve debt capacity for construction of academic and research facilities while meeting the immediate need for on-campus student housing. The University would also reap the benefit of ACC's experience constructing, owning and managing high-quality student housing communities.

¹ ACC and the University intend that the land, improvements and equipment that comprise this project be treated as property of the State of Idaho for tax purposes since they are owned by the University and are put to education purposes, i.e. student housing. The 2010 Legislature approved H596 which provides that unique private-public partnerships in the construction of improvements on university property without utilizing state funding will remain tax exempt so long as they exist in the capacity of university operations, as approved by the State Board of Education. As of the agenda deadline this legislation was still awaiting the Governor's signature.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

Since ACC is required to finance this project with their own equity, there is no debt on the project that can be attributed to the University. Drafts of the lease were provided to Moody's and Standard & Poor's and they have considered this transaction in their current rating provided for the College of Business and Economics bond issuance. However, they will continue to monitor this project and any potential impact it could have on the University's overall credit quality. In the unlikely event that the project is unsuccessful or ACC were to default, the University's subsequent involvement in the project could cause the rating agencies to reassess their credit position. However, if that unlikely scenario were to occur, the University would still have the housing community, a viable institutional asset.

Potential drawbacks of a long term ground lease include the University's loss of control of leased land for an extended period of time and reputational costs associated with an unsuccessful project. Additionally, expected financial gains may not materialize if those gains are tied to the success of a project that doesn't meet expectations.

STAFF COMMENTS

This lease contemplates a term of 65 years with options to renew for up to 20 more years. A leasehold of this duration may extend beyond the useful life of such a facility.

A finalized lease agreement was not available by the agenda mail-out deadline. A copy of the agreement will be provided to Board Members under separate cover upon receipt from the institution.

BOARD ACTION

A motion to approve the lease agreement between Boise State University and American Campus Communities in substantial conformance with the lease agreement submitted to the Board; and further, to authorize the University's Vice President for Finance and Administration to execute the documents necessary to carry out the lease agreement as approved by the Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOISE STATE UNIVERSITY

SUBJECT

Authorization for issuance of general revenue bonds

REFERENCE

October 2005	Board approved Campus Master Plan Update
February 2007	Capital project financing update
February 2008	Capital project financing update
April 2008	Increase in Strategic Facilities fee approved for new College of Business and Economics building
April 2009	Board approved planning and design for new College of Business and Economics at a cost not to exceed \$3,000,000
February 2010	Board approved request to construct the new College of Business and Economics at a cost not to exceed \$37,000,000 pending Board approval of financing

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section V.F., Section 33-3804, Idaho Code

BACKGROUND/DISCUSSION

Boise State University requests the Board's approval to issue approximately \$1,300,000 in tax-exempt general revenue (the "Series 2010A Bonds") and \$12,700,000 in taxable Build America bonds (the "Series 2010B Bonds") pursuant to a Supplemental Bond Resolution. Fourteen million of the proceeds of the series 2010A and 2010B bonds will be used to partially finance the construction of a new College of Business and Economics (COBE) building. The remaining project cost in excess of the bonds will be funded by donations. Remaining bond proceeds will be used to cover the cost of issuance.

The new COBE building was incorporated in the 2005 Master Plan and has since been included in the comprehensive financing plan for major capital improvements. Given its prominent location at the corner of Capitol Boulevard and University Drive, the building will become a landmark in the city landscape and will mark the west entrance to the campus.

The new COBE building is designed to effectively address the current and future growth needs of the College. The building will provide approximately 71,324 assignable square feet of space for the departments of Accounting, Network Operations and Information Systems, Economics, Management, and Marketing and Finance. It will incorporate modern and innovative instructional facilities including: case-study rooms, classrooms, computer labs, a high-tech financial trading center, student services center, and team rooms. There will also be

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

offices and meeting spaces to support faculty interaction and research efforts, and spaces are planned for outreach to, and support of the local business community.

Principal Amount

Approximately \$14,000,000

Maturities

To be determined the day of pricing.

Amortization Plan

To be determined the day of pricing.

Interest Rates

To be determined the day of pricing.

Source of Security

General Revenue pledge of the University, excluding appropriated funds, grants, contract revenues and restricted gifts.

Ratings

Rating agency updates were conducted in March 2010, in anticipation of the 2010A and 2010B issuance. The University's current ratings of A1/A+ were reaffirmed by Moody's Investors Service and Standard & Poor's, respectively (see Attachments 4 and 5)

Documents to be provided immediately prior to the Board meeting

Once pricing is concluded, the University will provide the following at the Board meeting:

1. Bond Sizing analysis showing final amounts, interest rates and maturities on the bonds;
2. Final Supplemental Bond Resolution showing rates and maturities of the bonds; and
3. Insert of new Appendix A to Bond Purchase Agreement, showing rates and maturities of the bonds.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

Bond pricing will occur during the 22nd day of April 2010. Agenda consideration after 2:00 pm MST is requested.

IMPACT

The funding for the project leverages the strategic facility fee by utilizing several additional funding sources. The Foundation expects to receive cash donations totaling \$14,500,000 by March 31, 2010 (of which \$12.5 million is from the Micron Foundation, Inc.), with additional pledges totaling \$3,000,000 for a total of \$17,500,000. The projected funding package is as follows:

Gifts and Pledges (cash on hand):	\$14,500,000
Strategic Facilities Fee Bonds:	14,000,000
Bond Proceeds Reallocation:	4,000,000
Bond Reserves:	2,700,000
Academic Capital Project Fund ¹ :	<u>1,800,000</u>
TOTAL	\$37,000,000

The COBE building is the first academic project to benefit from the Academic Capital Project Fund that was created during the development of the Stueckle Sky Center and is funded by athletic revenues.

This project will be procured through the standard process through the State of Idaho Department of Public Works and/or the State of Idaho Department of Purchasing as appropriate.

ATTACHMENTS

Attachment 1 – Preliminary Official Statement	Page 5
Attachment 2 – Draft Supplemental Bond Resolution	Page 163
Attachment 3 – Draft Bond Purchase Agreement	Page 187
Attachment 4 – Moody's 2010 Rating Report	Page 209
Attachment 5 – Standard & Poor's 2010 Rating Report (to be provided at SBOE meeting)	
Attachment 6 – Debt Service Projection	Page 215
Attachment 7 – Ten Year Debt Projection	Page 217

STAFF COMMENTS

BSU is requesting approval to issue tax-exempt general revenue bonds and taxable Build America Bonds (BAB) to construct a new College of Business and

¹ When Athletics was ready to build the recent football stadium expansion it was determined that a University backed bond provided the lowest cost of capital. As a result, the University created the Academic Capital Project Fund (ACPF) – Athletics was provided access to the bonding process in exchange for debt payments of 120% of actual debt service as well as an annual contribution to the ACPF. The contributions begin at \$600,000 per year and escalate every five years by \$100,000. In other words, ACPF can be used for academic capital projects to offset reduced debt capacity of the general revenue pledge.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

Economics building. The BAB program was authorized under the federal American Recovery and Reinvestment Act. By taking advantage of this new financing tool, the issuer receives a direct federal subsidy payment for a portion of their borrowing costs on Build America Bonds equal to 35% of the total interest paid to investors. As a result of this federal subsidy payment, the University will realize a lower net borrowing cost. Including this current offering, BSU will have \$230.3 million of rated debt outstanding. Moody's has affirmed BSU's "A1" rating.

Final documents and details to be provided immediately prior to the Board meeting.

BOARD ACTION

A Motion to approve the finding that the new College of Business and Economics building is economically feasible and necessary for the proper operation of the University and to approve a Supplemental Resolution for the Series 2010A Bonds and 2010B Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION of the Board of Trustees of Boise State University authorizing the issuance and sale of (i) General Revenue Bonds, Series 2010A, in the principal amount of up to \$_____ and (ii) Taxable General Revenue Bonds, Series 2010B (Issuer Subsidy-Build America Bonds), in the principal amount of up to \$_____; 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 2010A and 2010B Bonds.

And to direct staff to provide written notification of final Board approval to the Governor and the Joint Finance-Appropriations Committee.

Roll call vote is required.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 8, 2010

New Issue—Book Entry Only

RATINGS: See “RATINGS” herein

Subject to compliance by the University with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2010A Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, and (iii) is not taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2010B Bonds is includible in gross income of the owners thereof for federal income tax purposes.

In the opinion of Bond Counsel, under the existing laws of the State of Idaho, as presently enacted and construed, subject to the University's compliance with the requirements of the Code, interest on the Series 2010 Bonds is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act; provided, however, that Bond Counsel expresses no opinion concerning whether interest on the Series 2010 Bonds held by an S Corporation is subject to the income tax or the franchise tax imposed by the State of Idaho.

The Series 2010A Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “TAX MATTERS” herein.



\$14,000,000*
BOISE STATE UNIVERSITY
GENERAL REVENUE BONDS,
SERIES 2010

Dated: Date of Delivery**Due: April 1, as shown below**

The Series 2010A Bonds and the Series 2010B Bonds (collectively, the “Series 2010 Bonds”) are initially issuable in book-entry form only through The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2010A Bonds.

Interest on the Series 2010 Bonds is payable on each April 1 and October 1, commencing October 1, 2010. The Series 2010 Bonds are subject to optional and mandatory sinking fund redemption as described herein.

The Series 2010 Bonds are being issued for the purpose of financing a portion of the cost of acquisition and construction of a College of Business and Economics building and paying costs of issuance of the Series 2010 Bonds.

The Series 2010 Bonds are payable solely from and secured solely by the Pledged Revenues, which include certain student fees, enterprise revenues and interest earnings on University funds and accounts. See “SECURITY FOR THE SERIES 2010 BONDS” herein.

THE SERIES 2010 BONDS SHALL BE EXCLUSIVELY OBLIGATIONS OF THE UNIVERSITY, PAYABLE ONLY IN ACCORDANCE WITH THE TERMS THEREOF, AND SHALL NOT BE OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF IDAHO. THE SERIES 2010 BONDS SHALL NOT CONSTITUTE A DEBT—LEGAL, MORAL OR OTHERWISE—OF THE STATE OF IDAHO, AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT THEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE INCOME AND REVENUES PLEDGED AND ASSIGNED TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDERS OF THE SERIES 2010 BONDS. THE UNIVERSITY IS NOT AUTHORIZED TO LEVY OR COLLECT ANY TAXES OR ASSESSMENTS, OTHER THAN THE PLEDGED REVENUES DESCRIBED HEREIN, TO PAY THE SERIES 2010 BONDS. THE UNIVERSITY HAS NO TAXING POWER.

See Inside Cover for Maturity Schedules

The Series 2010 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain matters will be passed on for the University by its counsel, Kevin D. Satterlee, Esq., and for the Underwriter by its legal counsel, Hawley Troxell Ennis & Hawley LLP, and by Chapman and Cutler LLP, in its capacity as disclosure counsel to the University. It is expected that the Series 2010 Bonds will be available for delivery through the facilities of DTC on or about May 13, 2010.



This Official Statement is dated _____, 2010. The information contained herein speaks only of such date.

* Preliminary; subject to change.

BOISE STATE UNIVERSITY

\$14,000,000***BOISE STATE UNIVERSITY
GENERAL REVENUE BONDS,
SERIES 2010**

DUE APRIL 1	PRINCIPAL AMOUNT*	INTEREST RATE	YIELD	CUSIP
2012	\$265,000	%	%	
2013	275,000			
2014	285,000			
2015	300,000			
2016	310,000			
2017	320,000			
2018	335,000			
2019	350,000			
2020	360,000			
2021	375,000			
2022	390,000			
2023	405,000			
2024	425,000			
2025	440,000			
2026	460,000			
2027	475,000			
2028	495,000			
2029	515,000			
2030	535,000			
2031	555,000			
2032	580,000			
2033	600,000			
2034	625,000			
2035	650,000			
2036	680,000			
2037	705,000			
2038	735,000			
2039	760,000			
2040	795,000			

\$ _____ Term Bond due April 1, ____; Interest Rate ____%; Yield ____%; CUSIP _____

\$ _____ Term Bond due April 1, ____; Interest Rate ____%; Yield ____%; CUSIP _____

* Preliminary; subject to change.

**THE IDAHO STATE BOARD OF EDUCATION
AND BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY**

Paul C. Agidius, President

Kenneth Edmunds, Secretary

Tom Luna

Emma Atchley

Richard Westerberg, Vice President

Milford Terrell

Don Soltman

Roderic W. Lewis

Mike Rush—Executive Director

UNIVERSITY OFFICIALS

Robert W. Kustra, Ph.D.—President

Sona Andrews, Ph.D.—Provost and Vice
President for Academic Affairs

Kevin D. Satterlee, J.D.—Associate Vice
President and University Counsel

Stacy Pearson, MPA, CPA—Bursar and Vice
President for Finance and Administration

Michael Laliberte, Ed.D.—Vice President for
Student Affairs

Mark Rudin, Ph.D.—Vice President for
Research

Howard Smith Ph.D.—Vice President for
University Advancement

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BOND AND DISCLOSURE COUNSEL

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U.S. Bank National Association
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TABLE OF CONTENTS

	PAGE		PAGE
INTRODUCTION	1	Federal Tax Exemption of Series 2010A Bonds.....	30
General	1	Qualified Tax-Exempt Obligations	33
Boise State University	1	Idaho Income Taxation	33
Authorization for and Purpose of the Series 2010		Series 2010B Bonds Federally Taxable	34
Bonds	2	Series 2010B Bonds Issued as Build America Bonds.....	34
Security for the Series 2010 Bonds.....	2	UNDERWRITING	35
Additional Bonds	2	RATINGS	36
Tax Matters	3	LITIGATION.....	36
THE SERIES 2010 BONDS	3	APPROVAL OF LEGAL MATTERS	36
Description of the Series 2010 Bonds.....	3	CONTINUING DISCLOSURE.....	36
Book-Entry System	3	APPENDIX A—Audited Financial Statements of the	
Redemption	6	University for the Fiscal Years Ended	
Designation of 2010B Bonds as “Build America		June 30, 2009 and 2008	
Bonds”	9	APPENDIX B—Schedule of Student Fees	
SECURITY FOR THE SERIES 2010 BONDS	9	APPENDIX C—Glossary of Terms Used in the Resolution	
General	9	and Official Statement	
Pledged Revenues	10	APPENDIX D—Summary of Certain Provisions of the	
Historical Revenues Available for Debt Service	12	Resolution	
Flow of Funds	13	APPENDIX E—Proposed Form of Continuing Disclosure	
Rate Covenant	13	Undertaking	
Additional Bonds	14	APPENDIX F—Proposed Form of the Opinion of Bond	
No Debt Service Reserve	14	Counsel	
THE SERIES 2010 PROJECT	15		
ESTIMATED SOURCES AND USES OF FUNDS	16		
DEBT SERVICE REQUIREMENTS.....	17		
THE UNIVERSITY	18		
University Governance and Administration	18		
Certain University Facilities	21		
Student Body.....	23		
Employees.....	25		
Employee Retirement Plan	25		
Insurance	25		
FINANCIAL INFORMATION REGARDING THE			
UNIVERSITY	26		
State Appropriations	26		
Grants and Contracts.....	27		
Financial Aid.....	27		
Budget Process.....	28		
Investment Policy.....	28		
No Interest Rate Swaps.....	28		
Boise State University Foundation, Inc.	28		
Future Capital Projects.....	29		
Outstanding Debt	30		
Financial Statements	30		
TAX MATTERS.....	30		

GENERAL INFORMATION

No dealer, broker, salesperson or other person has been authorized by the Board, the University or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board, the University or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2010 Bonds, nor shall there be any sale of the Series 2010 Bonds by any person, in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the University, the Board, DTC and certain other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University or any other person or entity discussed herein since the date hereof.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Series 2010 Bonds at levels above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

The Underwriter has included the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains “forward-looking statements” that are based upon the University’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “proforma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the University. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The University has no plans to issue any updates or revise these forward-looking statements based on future events.

OFFICIAL STATEMENT

BOISE STATE UNIVERSITY

\$14,000,000* **GENERAL REVENUE BONDS,** **SERIES 2010**

INTRODUCTION

GENERAL

This Official Statement, including the cover page and the information contained in the Appendices hereto, is furnished in connection with the offering of the \$_____ * Boise State University General Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”) and \$_____ * Boise State University Taxable General Revenue Bonds, Series 2010B (Build America Bonds—Issuer Subsidy) (the “*Series 2010B Bonds*” and, collectively with the Series 2010A Bonds, the “*Series 2010 Bonds*”).

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. The attached Appendices are integral parts of this Official Statement and should be read in their entirety.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in “APPENDIX C—GLOSSARY OF TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT.”

BOISE STATE UNIVERSITY

Boise State University (the “*University*”) is a publicly supported, multi-disciplinary institution of higher education located in Boise, Idaho. The University has the largest student enrollment of any university in the State of Idaho (the “*State*”), with a spring 2010 enrollment of 18,520 students (based on headcount, with full-time-equivalent enrollment of 14,026). The State Board of Education serves as the Board of Trustees (the “*Board*”), the governing body of the University.

* Preliminary; subject to change.

AUTHORIZATION FOR AND PURPOSE OF THE SERIES 2010 BONDS

The Series 2010 Bonds are being issued pursuant to Title 33, Chapter 38, Idaho Code, as amended (the “*Act*”), and a resolution adopted by the Board on September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as supplemented and amended by a resolution adopted by the Board on _____, 2010 authorizing the issuance of the Series 2010 Bonds (the “*Series 2010 Supplemental Resolution*” and, collectively with the Master Resolution, the “*Resolution*”).

Pursuant to the Master Resolution, the Board has previously authorized the issuance of various series of General Revenue Bonds (the “*Outstanding Bonds*”), which are currently outstanding in the principal amount of \$216,300,000. The Series 2010 Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Resolution, are referred to herein as the “*Bonds*” or the “*General Revenue Bonds*.” See “DEBT SERVICE REQUIREMENTS.”

The proceeds of the Series 2010 Bonds will be used for the purpose of financing a portion of the cost of acquisition and construction of a College of Business and Economics building, (the “*Series 2010 Project*”) and paying costs of issuance of the Series 2010 Bonds. See “SERIES 2010 PROJECT,” and “ESTIMATED SOURCES AND USES OF FUNDS.”

SECURITY FOR THE SERIES 2010 BONDS

The Series 2010 Bonds are secured by Pledged Revenues on a parity with the other Bonds. Pledged Revenues include (i) Student Fees; (ii) Sales and Service Revenues; (iii) revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University (the “*F&A Recovery Revenues*”); (iv) various revenues generated from miscellaneous sources, including non-auxiliary advertising, vending in non-auxiliary buildings, postage and printing (“*Other Operating Revenues*”); (v) Investment Income (as defined in APPENDIX C), and (vi) other revenues as the Board shall designate as Pledged Revenues, but excluding State appropriations and Restricted Fund Revenues.

Under the Resolution, the University has covenanted to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding Bonds for each fiscal year. See “SECURITY FOR THE SERIES 2010 BONDS–Rate Covenant.”

ADDITIONAL BONDS

The University has reserved the right in the Resolution to issue Additional Bonds payable from and secured by the Pledged Revenues on a parity with the Series 2010 Bonds, subject to the satisfaction of certain conditions contained in the Resolution. See “SECURITY FOR THE SERIES 2010 BONDS–Additional Bonds.”

TAX MATTERS

Subject to compliance by the University with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Series 2010A Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations and (iii) is not taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations.

Interest on the Series 2010B Bonds is includible in gross income for federal income tax purposes.

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, subject to the University's compliance with the requirements of the Code, interest on the Series 2010 Bonds is not subject to the income tax or the franchise tax imposed by the State under the Idaho Income Tax Act; *provided, however*, that Bond Counsel expresses no opinion concerning whether interest on the Series 2010 Bonds held by an S Corporation is subject to the income tax or the franchise tax imposed by the State.

The Series 2010A Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

See "TAX MATTERS."

THE SERIES 2010 BONDS

DESCRIPTION OF THE SERIES 2010 BONDS

The Series 2010 Bonds will be dated their date of original issuance and delivery and will mature on April 1 of the years and in the amounts as set forth on the inside cover page of this Official Statement.

The Series 2010 Bonds shall bear interest from their date at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2010 Bonds is payable on April 1 and October 1 of each year, beginning October 1, 2010. Interest on the Series 2010 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. U.S. Bank National Association, in Salt Lake City, Utah, is the trustee and paying agent for the Series 2010 Bonds.

The Series 2010 Bonds will be issued as fully-registered bonds, initially in book-entry form only, in denominations of \$5,000 or any integral multiple thereof.

BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered

securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2010 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2010 Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual

Beneficial Owners of the Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2010 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, defaults, and proposed amendments to the Series 2010 Bond documents. For example, Beneficial Owners of the Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

While the book-entry system is in effect, payments of principal of and interest on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the University or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2010 Bonds at any time by giving reasonable notice to the University or the Trustee. Under such

circumstances, in the event that a successor securities depository is not obtained, the Series 2010 Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2010 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

REDEMPTION

Optional Redemption. The Series 2010A Bonds maturing on or before April 1, 2021 shall not be subject to call or redemption prior to their stated maturity. The Series 2010A Bonds maturing on and after April 1, _____ are subject to redemption at the election of the University at any time on or after April 1, 2020, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the Series 2010A Bonds shall be at a price of 100% of the principal amount of the Series 2010A Bonds to be so redeemed, plus accrued interest to the date of redemption.

The Series 2010B Bonds maturing on and after April 1, 2021 are subject to redemption at the election of the University at any time on or after April 1, 2020, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the Series 2010B Bonds shall be at a price of 100% of the principal amount of the Series 2010B Bonds to be so redeemed, plus accrued interest to the date of redemption.

Unless previously redeemed as provided under "Optional Redemption," "Make-Whole Redemption of the Series 2010B Bonds," or "Extraordinary Redemption of the Series 2010B Bonds," the Series 2010B Bonds maturing on April 1, _____ are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the Series 2010B Bonds to be so redeemed, plus accrued interest to the date of redemption, on April 1 of the years, and in the amounts, shown below:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	\$

*

* Stated maturity.

Make-Whole Redemption of the Series 2010B Bonds. The Series 2010B Bonds are subject to redemption prior to maturity at the option of the University, in whole or in part, on any Business Day prior to April 1, 2020, at the Make-Whole Redemption Price. The "Make-Whole

Redemption Price” is the greater of (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the “Treasury Rate” (defined below) plus ____ basis points, plus, in each case, accrued and unpaid interest on the Series 2010B Bonds to be redeemed on the redemption date. For purpose of determining the Make-Whole Redemption Price, the following definitions apply:

“Treasury Rate” means, with respect to any redemption date for a particular Series 2010B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

“Comparable Treasury Issue” means, with respect to any redemption date for a particular Series 2010B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Series 2010B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2010B Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular Series 2010B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the University.

“Reference Treasury Dealer” means each of the four firms, specified by the University from time to time, that are primary United States Government securities dealers in the City of New York (each a “Primary Treasury Dealer”); *provided, however*, that if any of them ceases to be a Primary Treasury Dealer, the University will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2010B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference

Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

Extraordinary Optional Redemption of the Series 2010B Bonds. The Series 2010B Bonds are also subject to redemption prior to their maturity, on any Business Day prior to April 1, 2020, at the option of the University, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the “*Extraordinary Optional Redemption Price*”) equal to the greater of (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the Treasury Rate, plus ____ basis points; plus, in each case, accrued interest on the Series 2010B Bonds to be redeemed to the redemption date.

For purposes of determining the Extraordinary Optional Redemption Price, “Treasury Rate,” shall have the meanings described above under the caption, “Make-Whole Redemption.” An “Extraordinary Event” will have occurred if a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act, pertaining to “Build America Bonds”) pursuant to which the University’s 35% cash subsidy payment from the United States Treasury is reduced or eliminated. At the request of the Trustee, the redemption price of the Series 2010B Bonds to be redeemed at the option of the University will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the University at the University’s expense to calculate such redemption price. The Trustee and the University may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Notice of Redemption. The Resolution requires the Trustee to give notice of any redemption of the Series 2010 Bonds not less than 35 days nor more than 60 days prior to the redemption date, by first class mail, postage prepaid, addressed to the registered owners of such Series 2010 Bonds to be redeemed at the addresses appearing on the registry books kept by the Trustee. With respect to any notice of optional redemption of Series 2010 Bonds, unless upon the giving of such notice such Series 2010 Bonds shall be deemed to have been paid within the meaning of the Resolution, such notice may state that the redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the Series 2010 Bonds to be redeemed, and that if such money shall not have been so received, the notice shall be of no force and effect and the University shall not be required to redeem such Series 2010 Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee will promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Selection for Redemption. If less than all of the Series 2010A Bonds maturing on a single date are called for redemption, the Trustee shall select the Series 2010A Bonds to be redeemed from the outstanding Series 2010A Bonds maturing on that date, in such random manner as the Trustee, in its sole discretion, shall deem appropriate and fair. The portion of any Series 2010A Bond to be redeemed shall be in an authorized denomination.

If less than all Series 2010B Bonds are to be redeemed, the particular maturities of such Series 2010B Bonds to be redeemed and the principal amounts of such maturities to be redeemed shall be selected by the University. If less than all of the Bonds of any maturity of the Series 2010B Bonds are to be redeemed:

(i) if the Series 2010B Bonds are in book-entry form at the time of such redemption, the Trustee shall instruct DTC to instruct the DTC Participants to select the specific Series 2010B Bonds within a maturity for redemption pro rata and not by lot, and neither the University nor the Trustee shall have any responsibility to insure that DTC or its Participants properly select such Series 2010B Bonds for redemption, and

(ii) if the Series 2010B Bonds are not then in book-entry form at the time of such redemption, on each redemption date, the Trustee shall select the specific Series 2010B Bonds within a maturity for redemption pro rata and not by lot.

DESIGNATION OF 2010B BONDS AS “BUILD AMERICA BONDS”

The University intends to elect to designate the Series 2010B Bonds as “Build America Bonds” for purposes of the American Recovery and Reinvestment Act of 2009 (the “*Recovery Act*”) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, and subject to compliance by the University of certain covenants, the University will receive cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the Series 2010B Bonds. Determination of the portion of the Series 2010 Bonds that will be issued as Series 2010B Bonds is dependent on market conditions, and the University, in its sole discretion, may determine not to issue a portion of the Series 2010A Bonds or Series 2010B Bonds and to issue either series of Series 2010 Bonds in an increased principal amount sufficient to fund the purposes for which the Series 2010 Bonds are being issued. See “BUILD AMERICA BONDS.”

SECURITY FOR THE SERIES 2010 BONDS

GENERAL

The Series 2010 Bonds are secured by Pledged Revenues on a parity with all Bonds previously issued and all Additional Bonds that may be issued under the Resolution. Pledged Revenues include:

- (i) Student Fees (described below);

- (ii) Sales and Services Revenues (defined below);
- (iii) F&A Recovery Revenues;
- (iv) Other Operating Revenues;
- (v) Unrestricted income generated on investments of moneys in all funds and accounts of the University (the “*Investment Income*”); and
- (vi) Such other revenues as the Board shall designate as Pledged Revenues.

For a description of the sources and components of the Pledged Revenues, see “Pledged Revenues” below. For the amounts of Pledged Revenues in recent years, see “Historical Revenues Available for Debt Service” below.

Pledged Revenues do not include State appropriations, which by law cannot be pledged. Pledged Revenues also exclude restricted gift and grant revenues and federal interest subsidy payments made to the University with respect to the Series 2010B Bonds or any future Bonds.

See “FINANCIAL INFORMATION REGARDING THE UNIVERSITY,” “–Budget Process,” and “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008.”

PLEDGED REVENUES

Student Fees. The University assesses and collects a variety of fees from students enrolled at the University. The Board may assess fees at any time during the year, and has authority to establish the fees unilaterally, without review or approval by the students, the State government, or any other governmental or regulatory body. In practice, however, the Board sets the fees annually. Prior to the Board meeting at which fees are set, public hearings concerning the fees are held and student participation is actively solicited. “*Student Fees*” include the Tuition Fee; Facility, Technology and Activity Fees; and General Education Fees, as further described below.*

For the fiscal year ended June 30, 2009, total Student Fees per full-time undergraduate student per semester were \$2,316 for Idaho residents and \$6,604 for non-resident students. For the fiscal year ending June 30, 2010, such Student Fees are, respectively, \$2,432 and \$6,934 per semester. See “APPENDIX B—SCHEDULE OF STUDENT FEES.”

Tuition Fee. The Tuition Fee supports instruction, student services, institutional support and maintenance and operation of the physical plant. The revenues derived from the Tuition Fee for the fiscal years ended June 30, 2008 and June 30, 2009 were \$46,867,441 and \$49,275,852, respectively.

* Excludes a health insurance charge, which is paid directly to a third-party insurance provider.

Facility, Technology and Activity Fees. The University charges a wide variety of fees to students to support various infrastructure and activities. Currently, these fees fall into three categories: (i) Facility Fees, which include the Student Building Fee, the Student Union and Housing Fee, the Capital Expenditure Reserve Fee, the Recreation Facility Fee, the Health and Wellness Center Fee, and the Strategic Facility Fee; (ii) Technology Fees, which include the Technology Fee and the Student Support System Fee; and (iii) Activity Fees, which include 16 fees assessed to support various programs and activities. The revenues derived from the Facility, Technology, and Activity Fees for the fiscal years ended June 30, 2008 and June 30, 2009 were \$26,528,740 and \$28,384,357, respectively.

General Education Fees. The University's General Education Fees include the Graduate/Professional Fee, non-resident Tuition, the Western Undergraduate Exchange Fee, the In-Service Fee, the Overload Fee, the Faculty Staff Fee, the Senior Citizen Fee, and Self-Supporting Program Fees. The revenues derived from the General Education Fees for the fiscal years ended June 30, 2008 and June 30, 2009 were \$15,032,953 and \$18,673,573, respectively.

Tuition and Student Fee Increases. It is Board policy to not increase total tuition and other student fees in any single fiscal year by an amount exceeding 10% unless it grants special approval for such increase. Tuition and student fees for the following fiscal year are set in April. The tuition and fee increases for the past five fiscal years were as follows:

FISCAL YEAR ENDING JUNE 30	TOTAL RESIDENTIAL STUDENT TUITION AND FEES PER SEMESTER	PERCENTAGE INCREASE
2010	\$2,432	5.0%
2009	2,316	5.0
2008	2,205	6.2
2007	2,077	7.3
2006	1,936	10.0

See "APPENDIX B—SCHEDULE OF STUDENT FEES" for a list of Student Fees assessed for fiscal year 2010.

In April 2010, the Board approved an aggregate 9% increase in tuition and fees for fiscal year 2011.

Sales and Services Revenues. Sales and Services Revenues include revenues generated through operations of auxiliary enterprises. The majority of these revenues are generated through housing and student union operations; bookstore sales; ticket and event sales from the Taco Bell Arena, Bronco Stadium, Morrison Center and Select-A-Seat; parking charges; and recreation center activity charges. Sales and Services Revenues also include revenues generated

incidentally to the conduct of instruction, research and public service activities, including unrestricted revenues generated by the University's public radio station, testing services provided by University labs, and sales of scientific and literary publications, and revenues from miscellaneous operations. See "THE UNIVERSITY—Certain University Facilities" for a description of the University's major facilities from which Sales and Services Revenues are derived.

Sales and Services Revenues for fiscal years ended June 30, 2008 and June 30, 2009 were \$46,477,346 and \$45,719,319, respectively. See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008."

Facilities and Administrative Recovery Revenues. A portion of federal funds expended each year on scientific research is provided to institutions to pay the direct costs of conducting research, such as the salaries for scientists and materials and labor used to perform research projects, and the balance is granted to pay for "facilities and administrative costs" ("*F&A Costs*"), which encompass spending by the receiving institution on items such as facilities maintenance and renewal, heating and cooling, libraries, the salaries of departmental and central office staff, and other general administration costs.

The University has focused on expanding research and has received an increased number and dollar amount of research grants over the last five years. In fiscal years ended June 30, 2008 and June 30, 2009, the University received F&A Recovery Revenues of \$3,087,351, and \$3,280,461, respectively.

Other Operating Revenues. The University receives other miscellaneous revenues in the course of its operations. Examples of Other Operating Revenues include revenues generated through certain non-auxiliary advertising, vending machines in non-auxiliary facilities, and postage and printing services. In fiscal years ended June 30, 2008 and June 30, 2009, the University generated Other Operating Revenues of \$1,950,748 and \$2,559,360, respectively.

Investment Income. Investment Income pledged to the Bonds includes all unrestricted investment income. For fiscal years ended June 30, 2008 and June 30, 2009, Investment Income pledged by the University was \$4,028,824 and \$1,536,390, respectively.

HISTORICAL REVENUES AVAILABLE FOR DEBT SERVICE

The following table shows the Pledged Revenues and the Revenues Available for Debt Service for the fiscal years 2007 through 2009. As described under "DEBT SERVICE REQUIREMENTS," the University estimates that the maximum annual debt service on the Bonds upon the issuance of the Series 2010 Bonds will be approximately \$16.4 million.

	2007	2008	2009
Student Fees	\$ 80,229,894	\$ 88,429,134	\$ 96,333,781
Sales and Services Revenues	42,548,978	46,477,346	45,719,319
Other Operating Revenues	1,636,425	1,950,748	2,559,360
Investment Income ⁽¹⁾	4,663,392	4,028,824	1,536,390
F&A Recovery Revenues	<u>2,935,344</u>	<u>3,087,351</u>	<u>3,280,461</u>
TOTAL	<u>\$132,014,033</u>	<u>\$143,973,403</u>	<u>\$149,429,311</u>
Less Operation and Maintenance Expenses of Auxiliary Enterprises	<u>50,278,915</u>	<u>56,485,940</u>	<u>57,625,896</u>
Revenues Available for Debt Service (Less Operation and Maintenance Expenses of Auxiliary Enterprises in excess of Sales and Services Revenues) ⁽²⁾	<u>\$81,735,118</u>	<u>\$87,487,463</u>	<u>\$91,803,415</u>

⁽¹⁾ Investment income declined substantially due to lower overall fixed income investment rates in 2009 as compared to 2008.

⁽²⁾ The Bonds are payable from Student Fees, Other Operating Income, Investment Income, and F&A Recovery Revenues prior to payment of Operation and Maintenance Expenses of Auxiliary Enterprises. Sales and Services Revenues, if any, remaining after payment of Operation and Maintenance Expenses of Auxiliary Enterprises are also pledged to the payment of the Bonds.

FLOW OF FUNDS

The Resolution creates the Revenue Fund, which is held by the University. All Pledged Revenues are deposited in the Revenue Fund. At least five days before each payment date, money in the Revenue Fund is transferred to the Debt Service Account held by the Trustee, for payment of interest, principal, and redemption premium, if any, coming due on the Bonds.

Amounts remaining in the Revenue Fund may be applied, free and clear of the lien of the Resolution, for any lawful purpose of the University, as provided in the Resolution. The University intends to use any excess moneys in the Revenue Fund primarily to pay for operation and maintenance expenses and capital improvements.

RATE COVENANT

Under the Resolution, the University has covenanted to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding Bonds for each fiscal year.

ADDITIONAL BONDS

Additional Bonds, Generally. The amount of Additional Bonds that may be issued under the Resolution is not limited by law or by the Resolution. In order to issue Additional Bonds for the purpose of financing Projects, the University must satisfy certain conditions, including the filing with the Trustee of:

(i) A Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution or any supplemental resolution with respect to any Bonds; and

(ii) A Written Certificate of the University to the effect that Estimated Revenues Available for Debt Service equal at least 110% of the Maximum Annual Debt Service on all Bonds to be outstanding upon the issuance of the Additional Bonds for (a) each of the fiscal years of the University during which any Bonds will be outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized, or (b) the University's current fiscal year and any succeeding fiscal year during which any Bonds will be outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized (a "*Coverage Certificate*"). See "APPENDIX C-SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION-Additional Bonds."

Refunding Bonds. The University may issue Additional Bonds to refund Bonds issued under the Resolution by providing certificates similar to those described above in (i) and (ii). Alternatively, Additional Bonds may be issued to refund Bonds issued under the Resolution without compliance with the requirements described above if the Additional Bonds do not increase debt service by more than \$25,000 per year.

The University may issue Additional Bonds for the purpose of refunding any of its obligations that were not issued under the Resolution if it files with the Trustee (i) a copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds and providing that any revenues securing such refunded obligations shall become part of the Pledged Revenues securing the Bonds issued under the Resolution, (ii) the Coverage Certificate described above, and (iii) a Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution.

NO DEBT SERVICE RESERVE

There is no debt service reserve requirement with respect to the Bonds.

THE SERIES 2010 PROJECT

The Series 2010 Bonds are being issued to finance a portion of the costs of acquisition and construction of a College of Business and Economics building, which is a component of the University's 2005 Master Plan and its comprehensive financing plan for major capital improvements. Given its prominent location at the University, the building will become a landmark in the city landscape and will mark the main entrance to the campus.

The Series 2010 Project is designed to address current and future growth needs of the College of Business and Economics. The building will provide approximately 117,312 gross square feet, including approximately 71,324 assignable square feet of space for the Departments of Accounting, Network Operations and Information Systems, Economics, Management, Marketing and Finance. The building will also include a 250-seat lecture hall and space for additional program growth and mechanical/electrical rooms. It will incorporate modern and innovative instructional facilities including case-study rooms, classrooms, computer labs, a high-tech financial trading center, a student services center, and team rooms. There will also be offices and meeting spaces to support faculty interaction and research efforts, and spaces are planned for outreach to, and support of, the local business community, including a COBE Business Research and Economic Development Center that includes, among outreach programs and research centers, an Idaho Counsel on Economic Education Center, an Idaho Small Business Development Center, and a Technology and Entrepreneurship Center.

The cost of construction, based on the design development documents and including contingencies, architectural and engineering fees, commissioning, testing, and other administrative and soft costs, is estimated at \$37 million. Approximately \$14 million of the project will be financed through the issuance of the Series 2010 Bonds, approximately \$4 million will be financed through proceeds of previously issued Bonds, and the remainder will be funded through gifts and pledges from donors and other University funds.

In May 2010, the University will begin the bidding process for the selection of a contractor for the Series 2010 Project. The University expects construction of the Series 2010 Project to begin in July 2010. It is estimated that construction of the project will be completed in the fall of 2012.

ESTIMATED SOURCES AND USES OF FUNDS***SOURCES**

Principal Amount of Series 2010 Bonds	\$
[Net] Original Issuance Premium	_____
TOTAL SOURCES	\$_____

USES

Construction Fund	\$
Costs of Issuance ¹	_____
TOTAL USES	\$_____

¹ Includes legal fees, rating agency fees, trustee fees, and Underwriter's fee.

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DEBT SERVICE REQUIREMENTS

The following table shows the debt service requirements for the Bonds.

BOND YEAR ENDING APRIL 1	OUTSTANDING BONDS	SERIES 2010 BONDS		
		PRINCIPAL*	INTEREST**	TOTAL
2010	\$ 15,217,303	\$ -		
2011	15,012,877	-		
2012	15,190,914	265,000		
2013	15,221,550	275,000		
2014	15,279,653	285,000		
2015	15,372,740	300,000		
2016	15,482,428	310,000		
2017	15,516,628	320,000		
2018	15,596,728	335,000		
2019	15,672,490	350,000		
2020	15,757,590	360,000		
2021	15,224,803	375,000		
2022	14,909,633	390,000		
2023	13,553,808	405,000		
2024	12,112,068	425,000		
2025	12,110,098	440,000		
2026	12,114,825	460,000		
2027	12,099,513	475,000		
2028	12,102,669	495,000		
2029	12,108,800	515,000		
2030	12,033,388	535,000		
2031	12,042,538	555,000		
2032	12,034,438	580,000		
2033	12,039,463	600,000		
2034	12,033,488	625,000		
2035	12,029,238	650,000		
2036	12,036,688	680,000		
2037	12,034,750	705,000		
2038	1,962,250	735,000		
2039	1,958,250	760,000		
2040	-	795,000		
TOTAL	<u>\$385,861,600</u>	<u>\$14,000,000</u>		

* Preliminary; subject to change.

** The University expects to receive a cash subsidy equal to 35% of the interest payable on the Series 2010B Bonds. Amounts shown exclude any subsidy payments to be received by the University.

THE UNIVERSITY

The University is the largest institution in the Idaho system of higher education. The University's main campus is located in Boise, Idaho. The University's spring 2010 enrollment is 18,520 students (based on headcount, with full-time equivalent enrollment of 14,026). The University had 3,497 faculty and staff (including 805 student employees) as of June 30, 2009.

Situated along the banks of the Boise River near downtown Boise, the University's main campus provides a picturesque and attractive setting, with convenient access to the governmental institutions and commercial and cultural amenities that are located in Idaho's capital city. The Boise-Nampa metropolitan area had a population of approximately 431,000 as of the 2000 census, and approximately 565,000 in 2008.

The University was founded as Boise Junior College in 1932, began offering baccalaureate programs in 1965 and entered the State system of higher education in 1969 as Boise State College. The University was renamed Boise State University in 1974, when it began offering graduate programs. The University administers baccalaureate, master's and doctoral programs through seven colleges—Arts and Sciences, Business and Economics, Education, Engineering, Graduate Studies, Health Sciences, and Social Sciences and Public Affairs. Master's degrees are offered in 73 disciplines, and four doctoral programs include an Ed.D. in Curriculum and Instruction and Ph.D. programs in Geophysics, Geosciences, and Electrical Engineering and Computer Engineering. The University is fully accredited by the Northwest Association of Schools and Colleges, and a number of the University's academic programs have also obtained specialized accreditation.

The University competes in NCAA intercollegiate athletics as a Division I-A member and fields 17 men's and women's teams in 12 sports. The University is the home of over 50 research centers and institutes, including the Center for Health Policy, the Center for Public Policy and Administration, the Environmental Science and Public Policy Research Institute, the Global Business Consortium, the Raptor Research Center, and the Hemingway Western Studies Center. The University also hosts both National Public Radio and Public Radio International on the Boise State Radio Network, which broadcasts in southern Idaho, western Oregon and northern Nevada on a network of 28 stations and translators.

UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Board, which also serves as the Idaho State Board of Education, the Regents of the University of Idaho, the Board of Trustees for Idaho State University in Pocatello, the Board of Trustees for Lewis Clark State College in Lewiston, and the State Board for Professional-Technical Education and Vocational Rehabilitation. The Governor appoints seven of the members of the combined boards for five-year terms. The membership, terms and occupations of the current board members are listed below. The elected State Superintendent of Public Instruction serves *ex officio* as the eighth member of the Board for a four-year term.

**BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY
AND STATE BOARD OF EDUCATION**

NAME	RESIDENCE	OCCUPATION	TERM EXPIRES
Paul C. Agidius (President)	Moscow	Attorney	2011
Richard Westerberg (Vice President)	Preston	PacifiCorp officer (retired)	2014
Kenneth Edmunds (Secretary)	Twin Falls	Real Estate Developer	2013
Milford Terrell	Boise	Owner/President of DeBest Plumbing	2012
Tom Luna*	Nampa	State Superintendent of Public Instruction	2011
Don Soltman	Twin Lakes	Retired Hospital Executive	2014
Emma Atchley	Ashton	Community Leader	2014
Roderic W. Lewis	Boise	General Counsel, Micron Technology, Inc.	2014

* Serves *ex officio* on the State Board of Education in his capacity as State Superintendent of Public Instruction.

The State Board of Education has an approximately 20-member, full-time professional staff headed by Mike Rush, Executive Director. His appointment became effective in 2008.

University Officers. The President of the University and his staff are responsible for the operation of the University and the fulfillment of its academic mission. The President is selected by and serves at the pleasure of the Board. Members of the President's management team are appointed by the President and serve at his pleasure. The President and his principal staff are listed below, with brief biographical information concerning each.

Robert Kustra, Ph.D. – President. Dr. Kustra became the University's sixth president on July 1, 2003. Immediately prior to joining the University, Dr. Kustra served as president of the Midwestern Higher Education Commission, an organization of 10 midwestern states that focus on advancing higher education through interstate cooperation and resource sharing. Prior to his time at the Midwestern Higher Education Commission, Dr. Kustra served as a senior fellow for the Council of State Governments, and from 1998-2001 served as president of Eastern Kentucky University. Prior to his time at Eastern Kentucky University, Dr. Kustra served as the lieutenant governor for the State of Illinois from 1990-1998, during a portion of which time he also served as the chair of the Illinois Board of Higher Education. Prior to acting as lieutenant governor, Dr. Kustra served in the Illinois state senate from 1982 to 1990 and in the Illinois House of Representatives from 1980-1982.

Dr. Kustra has also held faculty positions at the University of Illinois at Springfield, Roosevelt University, the University of Illinois-Chicago, Northwestern University, Loyola University and Lincoln Land Community College. While at Loyola he also served as director of the Center for Research in Urban Government.

Dr. Kustra was educated at Benedictine College in Atchison, Kansas (BA 1965), Southern Illinois University (MA 1968) and the University of Illinois (Ph.D. 1975). All of his degrees are in political science.

Throughout his professional life, Dr. Kustra has served on a number of education-oriented boards, including the Advisory Council for the National Center for Public Policy and Higher Education, the Policies and Purposes Committee of the American Association of State Colleges and Universities, the Ohio Valley Conference Board of Presidents, the DePaul University Board of Trustees and the Education Commission of the States. He is currently serving as a member of the National Collegiate Athletic Association executive committee and the American Association of State Colleges and Universities Commission on Presidential Leadership and Global Competitiveness.

Sona Andrews, Ph.D. – Provost and Vice President for Academic Affairs. Dr. Andrews began her duties as Provost and Vice President for Academic Affairs at the University in August 2004 after serving as Vice Provost for Academic Affairs at the University of Wisconsin-Milwaukee. Dr. Andrews, a geoscience professor, began teaching at the University of Minnesota in the 1980s and gained most of her administrative experience at the University of Wisconsin-Milwaukee, where she served as Vice Provost. She also served a fellowship with the American Council on Education. Dr. Andrews completed her first year of undergraduate education at the Nichean Palanjian Armenia College in Beirut, Lebanon and went on to earn her undergraduate degree in geography from Worcester State College in Massachusetts in 1975 and her Master's (1977) and Ph.D. (1981) in geography from Arizona State University.

Stacy Pearson, CPA, MPA – Vice President for Finance and Administration. Ms. Pearson was appointed as Bursar and Vice President for Finance and Administration effective August 15, 2004. Prior to this appointment, Ms. Pearson served as Associate Vice President for Finance and Administration at the University from 1995 to 2004. Ms. Pearson received her Bachelor of Science degree in business at the University of Idaho and her Master of Public Administration degree from the University. Ms. Pearson is a certified public accountant and is active in the Western Association of College and University Business Officers (WACUBO). She served as the Director of the Internal Audit Division for the Oregon University System from 1994 to 1995 and the Internal Auditor for the Idaho State Board of Education from 1987 to 1994.

Michael Laliberte, Ed.D. – Vice President for Student Affairs. Dr. Laliberte joined the University in July 2006. Previously, he had served since January 2003 as Associate Vice Chancellor for Student Affairs at the University of Massachusetts Dartmouth, where he served as Associate Dean of Students from 1999-2003. His higher education experience also includes service at Springfield College in Springfield, Massachusetts as the Assistant Dean of Students and Director of Judicial Affairs from 1996-99; Pennsylvania State University in University Park, Pennsylvania, as the Coordinator-Residence Life from 1994-96; and Northeastern University in Boston, as the Residence Director in 1994. Laliberte completed his Ed.D. in educational leadership in higher education from Johnson & Wales University in Providence, R.I., in 2003. He earned a master of science degree in college student development and counseling from Northeastern University in 1994 and a bachelor of science degree in human development, counseling and family studies from the University of Rhode Island in Kingston in 1983.

Mark Rudin, Ph.D – Vice President for Research. Dr. Rudin joined the University on January 1, 2009 as Vice President for Research. Dr. Rudin received his Ph.D. in Medicinal Chemistry/Health Physics from Purdue University. Prior to his appointment at the University, Dr. Rudin served in a number of teaching and administrative positions at UNLV since 1993, including Senior Associate Vice President for Research Services and Chair of the Department of Health Physics, at UNLV since 1993. Before joining UNLV, Dr. Rudin was a technical/administrative assistant with the U.S. Department of Energy Headquarters, Office of Environmental Restoration and Waste Management, and from 1989 to 1993, he was a senior program specialist/project engineer with EG&G Idaho at the Idaho National Laboratory in Idaho Falls.

Howard Smith, Ph.D. –Vice President for University Advancement. Dr. Smith received his Ph.D in Administrative Theory and Health Services Administration from the University of Washington. He formerly served the University of New Mexico as dean (1994-2004) at the Anderson Schools of Management and School of Public Administration and as Director (2004-2006) of the Program for Creative Enterprise and the Creative Enterprise Endowed Chair. From 1990 to 1994 Dr. Smith served as Associate Dean at the Anderson Schools. From June 2006 to May 2007, he served as the University's Dean of the College of Business and Economics.

Kevin D. Satterlee, J.D. – Associate Vice President and University Counsel. Mr. Satterlee was named University Counsel in 2005. Prior to holding the position of University Counsel, Mr. Satterlee served as Associate Vice President for Planning and Special Assistant to the Vice President for Finance and Administration at the University. Prior to joining the University, Mr. Satterlee served as Chief Legal Officer for the State Board of Education, Deputy Attorney General for the State representing numerous state agencies including the Office of the Governor, and worked in private practice. Mr. Satterlee received his undergraduate degree in political science magna cum laude from the University and his Juris Doctor from the University of Idaho, also magna cum laude.

CERTAIN UNIVERSITY FACILITIES

General. The University's Boise campus includes approximately 90 buildings situated on approximately 175 acres. In addition, the University offers courses and programs in several off-campus centers including the Canyon County Center, the Twin Falls Center, the Mountain Home Air Force Base Center, and the Gowen Field Center.

The following is a description of the University's major facilities from which Sales and Services Revenues are derived, including Student Union and Housing System facilities, spectator and recreation facilities, and parking facilities.

Student Union and Housing System. The University's Housing System currently consists of (i) six residence halls, three of which are dormitory-style buildings and three of which are suite-style buildings, (ii) five apartment complexes for upper-class family housing; and (iii) the Student Union Building.

University Residence Halls. The three residence halls and three suite-style halls can accommodate approximately 1,500 students. The University's residence halls offer a variety of amenities, including computer labs and in-room high-speed internet connections; recreational and lounge space; laundry facilities; kitchen areas; and academic/study space. For fiscal years 2007, 2008 and 2009, the average occupancy rates for the University's residence halls were, 99.5%, 93.2%, and, 92%, respectively, at the end of fall semester.

University Apartments. Currently, the University has five apartment complexes available for students and their families, which provide over 300 apartments ranging in size from one bedroom to three bedrooms. The average occupancy rates for the University's apartments was over 90% for the last three fiscal years, and the occupancy rate for fall 2009 was 88%.

Student Union Building. Initially constructed in 1967, expanded in 1988, and expanded again in 2008, the Student Union Building provides extensive conference and meeting spaces, a 430-seat performance theater, a retail food-court, a new central production kitchen, a resident student and visitor dining facility, an expanded University Bookstore, a convenience store, a games area, and offices for student government and student activities. The facilities infrastructure includes high-speed LAN and video data capabilities and public lounges with wireless network capabilities. The 67,000-square-foot expansion opened on-time and on-budget in January 2009. The project also included remodeling of 27,000 existing square feet. The finished building totals approximately 252,000 square feet.

Spectator and Recreation Facilities. The University's spectator and recreation facilities include Bronco Stadium, the Taco Bell Arena, the Recreation Center and the Morrison Center. The following is a brief description of these facilities.

Bronco Stadium. Originally constructed in 1970, expanded in 1997, again in 2008 and then again in 2009 to its current capacity of 33,500 seats, Bronco Stadium is Idaho's largest spectator facility. It is used for all of the University's intercollegiate home football games and track and field events as well as for many high school football games in the Boise area. The 2008 expansion project included the addition of an enlarged and updated press box, stadium suites, premium seating, banquet facilities, a commercial kitchen, additional bookstore and office space, as well as concourse upgrades and the 2009 project added south end zone seating.

Taco Bell Arena. Taco Bell Arena was constructed in 1982 and serves as the University's indoor sports and entertainment complex. In its basketball configuration, the arena accommodates approximately 12,400 spectators. In addition to varsity sports contests, including the NCAA Basketball Tournament, it has been used for concerts, Commencement ceremonies and other entertainment and community events, intramural activities and physical education classes. Taco Bell Arena also offers recreational indoor

sports facilities, such as racquetball/handball courts, weight training rooms, and aerobic exercise and dance rooms.

The Recreation Center. The Student Recreation Center was completed in fall 2001. It is approximately 98,700 square feet, and includes more than 25,000 square feet of open recreational space for three regulation-size basketball courts and a multipurpose gymnasium; a large aerobics/cardiovascular multipurpose workout space; five racquetball/handball/squash courts; a running track with banked turns; a climbing wall; a first-aid and athletic training area; classroom and activity spaces; indoor/outdoor meeting space; and an aquatic center, which is currently under construction and is scheduled to open in the fall of 2010.

The Morrison Center. The Velma V. Morrison Center, which opened in 1984, is a 183,885 square foot center for performing arts that includes a ten-story stage-house and seating for 2,000. The Morrison Center brings a wide range of artistic performances to the Boise community and provides academic instruction space at the University.

Parking Facilities. The University operates and maintains 65 surface parking lots and two parking garage facilities with a total of approximately 2,027 spaces, for a total of approximately 7,450 parking spaces. Construction of an additional 750-space parking facility is scheduled to begin in fall 2010. The University has a comprehensive parking plan to ensure that the parking system is financially self-supporting.

STUDENT BODY

The University enrolls more students than any other institution in Idaho. In addition to having students from every Idaho county, students from all 50 states and over 65 countries attend the University. The University enrolls large numbers of both traditional-age students and working adults. The following enrollment statistics are excerpted from reports filed with the State Board of Education as of the 10th day of enrollment of fall semester.

ENROLLMENT AND GRADUATION STATISTICS
(Fall Semester)

	2005	2006	2007	2008	2009
ENROLLMENT					
Headcount	18,650	18,880	19,540	19,667	18,936
Full-Time Equivalents	13,562	13,720	14,314	14,608	14,537
UNDERGRADUATE STUDENTS					
Full-Time	10,053	10,193	10,488	10,799	12,143
Part-Time	6,029	6,076	6,252	5,908	4,553
Applied Technology	1,036	947	1,073	995	NA ²
GRADUATE STUDENTS					
Full-Time	434	533	584	638	732
Part-Time	1,098	1,131	1,143	1,330	1,508
STUDENTS FROM IDAHO	91%	90%	89%	88%	86%
FIRST YEAR UNDERGRADUATES					
Applied	5,264	4,417 ¹	5,132	4,801	5,187
Admitted	4,001	3,098	3,014	3,296	4,427
Enrolled	2,262	2,261	2,280	2,214	2,151
ACT Mean Score	21.5	21.5	21.5	21.9	22.0
DEGREES CONFERRED (fiscal year)					
Diploma	198	191	195	148	226
Associate	447	481	484	434	478
Bachelor	1,661	1,771	1,874	1,920	2,129
Master	397	410	440	482	527
Doctorate	1	11	5	1	9
Graduate Certificate ³	2	7	23	40	81

¹ The definition of first year applicants was refined in 2006 to exclude certain categories of students, including non-degree, concurrent enrollment, and Bridge Program students, and new students who began attending the University the previous summer.

² The applied technology program was transferred to the College of Western Idaho in July 2009.

³ The University began awarding Graduate Certificates in 2005.

The University is the largest university in Idaho, with spring 2010 semester enrollment of 18,520 students (based on headcount, with full-time-equivalent enrollment of 14,026). From 2006 to 2010, University enrollment has grown at a compound annual rate of 4.7% and the quality of the incoming freshman class has steadily improved. Based on fall statistics, from 2006 to 2010, the number of freshman ranked in the top quartile of ACT scores is up seven percent, the number of students ranked in the top quartile of their high school is up nine percent, and the number of students with a GPA greater than 3.5 is up six percent.

EMPLOYEES

As of June 30, 2009, the University had 3,497 employees. Faculty and staff included 666 professional staff, 714 faculty, 286 other academic appointments, which include roles such as research assistants and adult basic education instructors, and 1,026 classified employees. The University also employed 805 students. The University is not a party to any collective bargaining agreement, although there are employee associations that bring any salary issues and other concerns to the attention of the University. The University considers relations with its employees to be good.

EMPLOYEE RETIREMENT PLAN

All benefit eligible employees must enroll in one of two retirement plans—the State’s Public Employees’ Retirement System of Idaho (“*PERSI*”) or the Optional Retirement Program (“*ORP*”), which is a plan offered to faculty and non-classified staff effective 1990 and thereafter.

The University’s employees, including its faculty hired prior to July 1, 1990, are covered under *PERSI*. *PERSI* covers eligible personnel who work 20 hours or more per week. All personnel who work 20 hours or more per week for five consecutive months must participate in either *PERSI* or *ORP*. The membership of *PERSI* includes employees of the State, teachers, firefighters, police and employees of political subdivisions, local school districts, colleges and universities.

Faculty and non-classified staff hired on or after July 1, 1990 have been enrolled in *ORP*, and faculty and staff hired before that date were offered a one-time opportunity in 1990 to withdraw from *PERSI* and join the *ORP*. New faculty and professional staff who are vested in *PERSI* have the option of remaining in or returning to *PERSI* with written affirmation of this decision within 60 days of employment. The *ORP* is a portable, defined contribution retirement plan with options offered by Teachers’ Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and Variable Annuity Life Insurance Company (VALIC). The total contribution rate is the same for all employees, with a portion of the employer’s contribution for *ORP* members being credited to the employee’s account and a portion to the *PERSI* unfunded liability until 2015.

For information concerning post-retirement benefits other than pensions, see Note 11 of “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008.”

INSURANCE

The University has liability coverage under commercial insurance policies and self-insurance through the State of Idaho Retained Risk Fund. University buildings are covered by all-risk property insurance on a replacement cost basis.

FINANCIAL INFORMATION REGARDING THE UNIVERSITY

The principal sources of University revenues are direct appropriation of State revenues by the State legislature (the “*Legislature*”), Student Fees, federal government appropriations, grants and contracts, gifts to the University, F&A Recovery Revenues, Investment Income, Sales and Services Revenues, and Other Operating Revenues. Of these revenue sources, Student Fees, Investment Income, Sales and Services Revenues, F&A Recovery Revenues, and Other Operating Revenues are pledged to the Bonds. See “SECURITY FOR THE SERIES 2010 BONDS.” Certain of the revenue sources that are not pledged as security for the Bonds are described below.

STATE APPROPRIATIONS

Legislatively-approved State appropriations represent approximately 34% of the University’s total annual revenues for 2009. The Legislature meets beginning in January of each calendar year and sets budgets and appropriations for all agencies and departments of State government for the fiscal year beginning the following July 1. The Legislature may also make adjustments to budgets and appropriations for the fiscal year during which the Legislature is meeting.

If, in the course of a fiscal year, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor by executive order may reduce (“*Holdback*”) the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State or request a reversion (“*Reversion*”) of appropriations back to the State to balance the State budget. For the 2010 fiscal year, Holdbacks in the amount of approximately \$6.3 million have been ordered or are in the process of being finalized and ordered. Such Holdbacks represent approximately 8.0% of the original amount appropriated by the State to the University for the 2010 fiscal year.

The University is implementing a variety of strategies in response to the reductions in State appropriations, including considering the delay or cancellation of certain capital projects and property purchases, increasing class sizes or eliminating unneeded sections, reducing personnel costs, and otherwise reviewing academic and administrative operations to determine how to operate more efficiently. To reduce personnel costs, which represent approximately 80% of the University’s operating budget, all vacant positions are being reviewed with the President of the University to determine the impact of eliminating the positions or delaying the replacement hires. Overtime and supplemental pay is being reviewed and reduced, and travel has been curtailed. Academic programs are being evaluated to determine their strategic importance to the University, and new programs are being delayed or implemented in stages over longer periods of time than originally contemplated.

State appropriations are not pledged as security for the Bonds. However, Holdbacks, Reversions or reductions in the amount appropriated to the University could adversely affect the University’s financial and operating position.

The table below sets forth the legislative appropriations from the State General Fund for all higher education institutions and for the University, net of Reversions and Holdbacks, for the years shown.

STATE GENERAL FUND APPROPRIATIONS⁽¹⁾

FISCAL YEAR	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
All Higher Education	\$238,435,700	\$243,726,400	\$264,227,700	\$285,151,500	\$253,278,100
Boise State University	71,116,500	75,070,300	80,170,800	81,509,500 ⁽²⁾	72,078,500 ⁽³⁾
Percentage Increase (Decrease) over prior year for the University	3.9%	5.6%	6.8%	1.7%	(11.6)%

Source: The University.

(1) Excludes appropriations to the Seland College, the University's applied technology program. The applied technology program was transferred to the College of Western Idaho in July 2009. See "THE UNIVERSITY—Student Body—*Impact of College of Western Idaho*." The fiscal year 2009 appropriation attributable to the Seland College was approximately \$7.6 million.

(2) Net of the 4% Holdback of \$3,503,480.

(3) Net of the 6% Holdback of \$6,274,000.

The 2010 State Legislature, which adjourned on March 29, 2010, established appropriations for the 2011 Fiscal Year. The Legislature budgeted \$217,510,800 for all higher education institutions. (Such amount includes a \$10 million reduction related to a dairy project at the University of Idaho.) The Board will allocate the University's portion of the total higher education appropriation amount on April 22. There can be no assurance that the appropriations for the 2011 Fiscal Year will not be subject to Holdbacks or Reversions.

GRANTS AND CONTRACTS

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's current revenues. The use of such funds is usually restricted to specific projects and is not included in the budget for the University. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, student aid programs, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these grants and contracts. For fiscal year 2009, total grants and contracts totaled \$47,002,105. The University received \$16,533,564 in federal Pell Grants for the 2009 academic year.

FINANCIAL AID

Direct financial aid to students, primarily in the form of student loans, scholarships, grants, student employment, awards, and deferred payments, totaled approximately \$100,190,000 for the 2008 to 2009 academic year. Of such amount, approximately \$70,203,000 was in the form of direct student loans. The University estimates that direct financial aid to

students will total approximately \$116 million for the 2009 to 2010 academic year, of which approximately \$79 million is in the form of direct student loans. Due to uncertainty with respect to the amount of federal grants, donations, and other sources the University expects to receive for the purpose of providing financial aid, the University cannot determine the amount of financial aid that will be available in future years.

BUDGET PROCESS

The University operates on an annual budget system. Its fiscal year begins July 1 of each year. The budget process, as well as the administration of the expenditures authorized through the process, is administered through the offices of the President and the Vice President for Finance and Administration, in collaboration with the departmental faculty and administrative officers. The internal budget process concludes with a general budget proposal for the following fiscal year being submitted in consolidated form by the University Administration to the Board in August of each year.

The University's operating budget is approved by the Board prior to the commencement of the fiscal year, usually at its June meeting. At that meeting, the Board, serving also as the governing boards of the State's other institutions of higher education, approves the annual budgets for those institutions as well.

INVESTMENT POLICY

Board policy establishes permitted investment categories for the University. The University's investment policy establishes, in order of priority, safety of principle, ensuring necessary liquidity, and achieving a maximum return, as the objectives of its investment portfolio. See Footnote 2 to the Financial Statements in APPENDIX A. Moneys in Funds and Accounts established under the Bond Resolution are required to be invested in Investment Securities, as described in "APPENDIX D-SUMMARY OF PROVISIONS OF THE RESOLUTION-Establishment of Funds; Flow of Funds-Investment of Funds." The University has not experienced any significant recent investment losses or unexpected limitations on the liquidity of its short-term investments.

NO INTEREST RATE SWAPS

The University has not entered into any interest rate swaps or other derivative products.

BOISE STATE UNIVERSITY FOUNDATION, INC.

The Boise State University Foundation, Inc. (the "*BSU Foundation*") is a nonprofit corporation organized under State law in 1967. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. An approximately 40-member board of directors manages the BSU Foundation. Mark W. Literas currently serves as Chairman of the Board of the BSU Foundation.

Financial statements for the BSU Foundation and the Boise State Athletic Association (the “BAA”) are contained in Note 13 to the University’s financial statements. See APPENDIX A. During 2009, the BAA donated its financial assets to the Foundation. For 2009 and thereafter, all BAA gifts will be recorded as gifts to the Foundation and recorded in funds designated to Athletics. Combined net assets of the BSU Foundation and the BAA at June 30, 2009 were \$111,303,971.

The BSU Foundation is in the third year of a comprehensive fundraising campaign. The Destination Distinction campaign has generated \$125.9 million toward a goal of \$175 million, and the Fund for the Future campaign has exceeded its \$10 million goal, generating \$12.4 million in contributions. The campaigns generate funds for facilities, endowed faculty, endowed scholarships and direct academic support.

FUTURE CAPITAL PROJECTS

To address the educational needs of the region and the facilities needs of the growing student body, the University implemented a Strategic Facility Fee in 2006. The Strategic Facility Fee increased from \$25 in the fall of 2006 to \$210 for fiscal year 2010. Revenues from the Strategic Facility Fee are intended to be used together with donations, State of Idaho Permanent Building Fund monies, capital grants and university reserves to provide funds for construction of buildings pursuant to the University’s Campus Master Plan.

To meet the growing demand for on-campus housing, the University has partnered with American Campus Communities (ACC), one of the nation’s largest developers, owners and managers of student housing communities, to develop and manage a new on-campus housing facility. ACC will design, develop, build and manage an 874 bed housing project on land leased from the University. All improvements will be owned by the University and leased to ACC. ACC will pay all project costs.

The University is also building a biomedical research vivarium (BRV). The BRV is a 9,200-square-foot state-of-the-art animal holding facility. The BRV will provide important infrastructure and support for biomedical research and training. Researchers at the University received a \$3.9 million grant, which is expected to cover the entire construction cost of the facility.

The University may not undertake any capital project or long-term financing without prior Board approval.

OUTSTANDING DEBT

The University has the following debt outstanding:

OUTSTANDING BONDS	ORIGINAL ISSUE AMOUNT	AMOUNT OUTSTANDING
<i>General Revenue Bonds</i>		
Housing System Refunding and Improvement Revenue Bonds, Series 2002	\$ 38,255,000	\$ 75,000
Housing System Refunding Revenue Bonds, Series 2003	6,620,000	4,955,000
General Revenue Bonds, Series 2004A	31,480,000	27,375,000
General Revenue Bonds, Series 2005A	21,925,000	18,600,000
General Revenue Bonds, Series 2007A	96,365,000	96,365,000
General Revenue Bonds, Series 2007B	25,860,000	25,860,000
General Revenue Bonds, Series 2007C (Taxable)	2,850,000	1,845,000
General Revenue Bonds, Series 2009A	42,595,000	41,225,000
General Revenue Bonds, Series 2010 ¹	14,000,000*	14,000,000*
<i>Other Obligations</i>		
Subordinated Revenue Note, Series 2007	3,325,000	0
2006 Bronco Stadium Expansion Loan	3,381,000	2,302,316
2001 Bank Line of Credit	5,000,000	1,000,024
Capital Leases for Building and Equipment	<u>6,951,159</u>	<u>2,784,999</u>
Total:	\$298,607,159*	\$236,387,339*

* Preliminary; subject to change.

¹ For purposes of this table, the Series 2010 Bonds are considered outstanding.

For additional information regarding the University's outstanding obligations, see Footnotes 7, 8 and 9 to the Financial Statements in APPENDIX A.

FINANCIAL STATEMENTS

The financial statements of the University as of and for the years ended June 30, 2009 and 2008, which are included as APPENDIX A to this Official Statement, have been audited by Moss-Adams LLP, independent auditors, as stated in their report appearing therein. Moss-Adams has not been engaged to perform and has not performed, since the date of such report, any procedures on the financial statements addressed in the report. Moss-Adams has not performed any procedures relating to this Official Statement, and has not consented to the use of the financial statements of the University in this Official Statement.

TAX MATTERS

FEDERAL TAX EXEMPTION OF SERIES 2010A BONDS

Federal tax law contains a number of requirements and restrictions which apply to the Series 2010A Bonds, including investment restrictions, periodic payments of arbitrage profits to

the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The University has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2010A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2010A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2010A Bonds.

Subject to the University's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2010A Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, and (iii) is not taken into account in computing adjusted current earnings, as described below.

The Internal Revenue Code of 1986, as amended (the "*Code*"), includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax-exempt interest, including interest on the Series 2010A Bonds.

Ownership of the Series 2010A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2010A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "*Issue Price*") for each maturity of the Series 2010A Bonds is the price at which a substantial amount of such maturity of the Series 2010A Bonds is first sold to the public. The Issue Price of a maturity of the Series 2010A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Series 2010A Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Series 2010A Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the University complies with the covenants discussed above, (a) the full amount of

original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code; (d) such original issue discount is not taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (e) the accretion of original issue discount in each year may result in certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Series 2010A Bonds who dispose of Series 2010A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2010A Bonds in the initial public offering, but at a price different from the Issue Price or purchase Series 2010A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2010A Bond is purchased at any time for a price that is less than the Series 2010A Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Series 2010A Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2010A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2010A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2010A Bonds.

An investor may purchase a Series 2010A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2010A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2010A Bond. Investors who purchase a Series 2010A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2010A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2010A Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to herein or adversely affect the market value of the Series 2010A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or

whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2010A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2010A Bonds. If an audit is commenced, under current procedures the Service may treat the University as the taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2010A Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2010A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2010A Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2010A Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the University’s compliance with certain covenants, in the opinion of Bond Counsel, the Series 2010A Bonds are “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

IDAHO INCOME TAXATION

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, subject to the University’s compliance with the requirements of the Code, interest on the Series 2010 Bonds is not subject to the income tax or the franchise tax imposed by the State under the Idaho Income Tax Act; *provided, however*, that Bond Counsel expresses no opinion concerning whether interest on the Series 2010 Bonds held by an S Corporation is subject to the income tax or the franchise tax imposed by the State. Failure of the University to comply with such requirements could result in interest on the Series 2010 Bonds being subject to the income tax and franchise tax under the Idaho Income Tax Act retroactively to the date of the issuance of the Series 2010 Bonds. Ownership or disposition of the Series 2010 Bonds may result in other State tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2010 Bonds. Bond Counsel expresses no opinion with respect to taxation under any other provisions of State law. Prospective purchasers of

the Series 2010 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

SERIES 2010B BONDS FEDERALLY TAXABLE

Interest on the Series 2010B Bonds is includible in gross income for federal income tax purposes. Holders of the Series 2010B Bonds should consult their tax advisors with respect to the inclusion of interest on the Series 2010B Bonds in gross income for federal income tax purposes and any collateral tax consequences.

SERIES 2010B BONDS ISSUED AS BUILD AMERICA BONDS

As part of the American Recovery and Reinvestment Act of 2009 (the “*Recovery Act*”), Congress added provisions to the Code that permit state or local governments to obtain certain tax advantages when issuing certain taxable obligations, referred to as “*Build America Bonds*.” A Build America Bond must satisfy certain requirements, including that the interest on the Build America Bonds would be, but for the issuer’s election to treat such bonds as Build America Bonds, excludable from gross income under Section 103 of the Code. The University intends to make or has made an irrevocable election to treat the Series 2010B Bonds as Build America Bonds. The University also intends to make or has made an irrevocable election to treat the Series 2010B Bonds as Build America Bonds that are “qualified bonds” as defined in the Code. As a result of these elections, interest on the Series 2010B Bonds will be includible in gross income of the holders thereof for federal income tax purposes and the holders of the Series 2010B Bonds will not be entitled to any tax credits as a result either of ownership of the Series 2010B Bonds or of receipt of any interest payments on the Series 2010B Bonds. Bondholders should consult their tax advisors with respect to the inclusion of interest on the Series 2010B Bonds in gross income for federal income tax purposes.

Federal tax law contains a number of requirements and restrictions that apply to the Series 2010B Bonds in order for them to be Build America Bonds and “qualified bonds,” including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The University has covenanted to comply with requirements that must be satisfied in order for the Series 2010B Bonds to be qualified Build America Bonds. Failure to comply with certain of such covenants could cause the Series 2010B Bonds to not be qualified Build America Bonds (and consequently could prevent the allowance of Build America Payments described below) retroactively to the date of issuance of the Series 2010B Bonds.

As a consequence of the Series 2010B Bonds being Build America Bonds and “qualified bonds” under Section 54AA of the Code, the University will be entitled to apply for certain tax credits under Section 6431 of the Code (the “*Build America Payments*”). If for any reason the Bonds cease to be Build America Bonds that are “qualified bonds” under Section 54AA of the Code, the University will not be entitled to receive such Build America Payments.

Under Section 6431 of the Code, the University will apply to receive Build America Payments directly from the Secretary of the U.S. Treasury. The amount of each Build America

Payment is set in Section 6431 of the Code at 35 percent of the corresponding interest payable on the related qualified Build America Bond.

To receive a Build America Payment, under currently existing procedures, the University is required to file a tax return between 90 and 45 days prior to each interest payment date. The procedures provide that the University should expect to receive the Build America Payment within 45 days of filing the return. Depending on the timing of the filing, the Build America Payment may be received before or after the corresponding interest payment.

No assurances are provided that the University will receive Build America Payments. The amount of any Build America Payment is subject to legislative changes by Congress. Also, Build America Payments are subject to offset against certain amounts that may, for unrelated reasons, be owed by the University to an agency of the United States of America.

Circular 230. This Official Statement contains tax advice written to market the Series 2010B Bonds. This subsection is informing Bondholders of the following as required under Treas. Reg. §10.35, which is contained in the rules of practice before the Internal Revenue Service, commonly known as Circular 230.

The tax advice contained in this Official Statement is not intended or written by the University, its Bond Counsel, or any other tax practitioner to be used, and it cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax advice contained in this Official Statement was written to support the promotion or marketing of the Series 2010 Bonds. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The University and its Bond Counsel impose no restrictions or limitations on disclosing the content of this Official Statement or of any details of the structure of the Series 2010 Bonds or on the tax treatment or tax structure of the Series 2010 Bonds and the use of proceeds thereof.

UNDERWRITING

The Series 2010 Bonds are being purchased by Barclays Capital Inc. (the “Underwriter”). The purchase contract provides that the Underwriter will purchase all of the Series 2010 Bonds, if any are purchased, at a price of, (i) with respect to the Series 2010A Bonds, \$_____, representing the principal amount of the Series 2010A Bonds, plus [net] original issuance premium of \$_____, less an Underwriter's fee of \$_____, and (ii) with respect to the Series 2010B Bonds, \$_____, representing the principal amount of the Series 2010B Bonds, less an Underwriter's fee of \$_____.

The Underwriter may offer and sell the Series 2010 Bonds to certain dealers (including dealers depositing the Series 2010 Bonds in investment trusts) and others at prices lower than the initial offering prices stated on the cover page hereof.

RATINGS

Moody's has assigned its municipal bond rating of "A1" to the Series 2010 Bonds, and S&P has assigned its municipal bond rating of "_____" to the Series 2010 Bonds.

The ratings reflect only the views of the rating agencies. An explanation of the significance of the ratings may be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or that the ratings may not be revised or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Any downward revision or withdrawal of such ratings will be likely to have an adverse effect on the market price or marketability of the Series 2010 Bonds.

LITIGATION

The University has reported that, as of the date hereof, there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance or sale of the Series 2010 Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2010 Bonds, the pledge and application of Pledged Revenues, or the existence or powers of the University.

APPROVAL OF LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2010 Bonds are subject to the approval of Chapman and Cutler LLP, Bond Counsel to the University. Bond Counsel's approving opinion in the form of APPENDIX F hereto will be delivered with the Series 2010 Bonds. Certain legal matters will be passed upon for the University by its counsel, Kevin D. Satterlee, Esq. Certain matters will be passed upon for the Underwriter by its counsel, Hawley Troxell Ennis & Hawley LLP, and by Chapman and Cutler LLP, in its role as Disclosure Counsel to the University.

CONTINUING DISCLOSURE

The University will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the Beneficial Owners of the Series 2010 Bonds. Pursuant to the Undertaking, the University will agree to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*"). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the Undertaking, the proposed form of which is attached as APPENDIX E to this Official Statement.

The University has represented that it has not failed to comply in any material respect with any undertaking previously entered into by it pursuant to the Rule. A failure by the University to comply with the Undertaking will not constitute an Event of Default under the Resolution, and Beneficial Owners of the Series 2010 Bonds are limited to the remedies described in the Undertaking. See APPENDIX E “FORM OF CONTINUING DISCLOSURE UNDERTAKING—Consequences of Failure of the University to Provide Information.” A failure by the University to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2010 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2010 Bonds and their market price.

BOISE STATE UNIVERSITY

By _____
Bursar and Vice President
for Finance and Administration

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008**

BOISE STATE UNIVERSITY

Independent Auditor's Report and Financial Statements

June 30, 2009 and 2008

Including Single Audit Reports

for the year ended June 30, 2009

BOISE STATE
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TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-10
FINANCIAL STATEMENTS:	
Statements of Net Assets	11-12
Component Units Statements of Financial Position	13-14
Statements of Revenues, Expenses, and Changes in Net Assets	15-16
Component Units Statements of Activities	17-18
Statements of Cash Flows	19-20
NOTES TO FINANCIAL STATEMENTS	21-54
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	55-56
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	57-59
SCHEDULE OF FINDINGS AND QUESTIONED COSTS:	
Part I – Summary of Auditors' Results	60
Part II – Financial Statement Findings	61
Part III – Federal Award Findings and Questioned Cost	61
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – YEAR ENDED JUNE 30, 2008	62-75
Notes to Schedule of Expenditures of Federal Awards	76-77



INDEPENDENT AUDITOR'S REPORT

Idaho State Board of Education
Boise State University
Boise, Idaho

We have audited the accompanying financial statements of Boise State University (University) as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Boise State University's discretely presented component units as described in Note 13. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the University, and its discretely presented component unit, as of June 30, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2009, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the University's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Eugene, Oregon
September 30, 2009



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

Management's Discussion and Analysis ("MD&A") presents an overview of the financial performance of Boise State University (the "University") based on currently known facts, decisions and conditions and is designed to assist readers in understanding the accompanying financial statements. The MD&A discusses financial performance during the current year in comparison to prior years with emphasis on the current year.

Overview of the Financial Statements and Financial Analysis

The financial statements for fiscal years ended June 30, 2009 and June 30, 2008 are prepared in accordance with Governmental Accounting Standards Board ("GASB") principles. There are three financial statements presented: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

The University discloses, as a component unit, any significant organizations that raise and hold economic resources for the direct benefit of the University. Organizations that are legally separate, tax-exempt entities that satisfy the criteria of GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14"* should be discretely presented as component units. The Boise State University Foundation, Inc. (the "Foundation") is discretely presented for the year ended June 30, 2009 and the Foundation is combined with the Bronco Athletic Association, Inc. for discreet presentation as of June 30, 2008. The component units report their financial information according to Financial Accounting Standards Board ("FASB")

reporting standards. The University presents component unit financial information on pages immediately following the statements of the University.

Statement of Net Assets

The statement of net assets presents the assets, liabilities, and net assets of the University as of the current fiscal year-end in comparative format with the prior fiscal year-end. The purpose of the statement of net assets is to present to the readers of the financial statements a point-in-time fiscal snapshot of the University. The statement of net assets presents end-of-year data concerning assets (current and non-current), liabilities (current and non-current) and net assets (assets minus liabilities). The difference between the current and non-current classification is discussed in the footnotes to the financial statements.

From the data presented, readers of the statement of net assets are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors and lending institutions. Finally, the statement of net assets provides a picture of the net assets, (assets minus liabilities) and their availability for expenditure by the University.

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the University's equity in capital assets. The second net asset category is restricted, expendable net assets. Restricted, expendable net assets are available for

BOISE STATE UNIVERSITY

expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the

assets. The final category is unrestricted net assets. Unrestricted net assets are available to the University for any lawful purpose of the institution.

Summary Statements of Net Assets			
As of June 30			
(Dollars in Thousands)			
	2009	2008	2007
ASSETS:			
Current assets	\$ 96,983	\$ 101,473	\$ 94,485
Capital assets, net	374,656	348,974	304,028
Other assets	98,320	81,872	118,979
Total assets	<u>\$ 569,959</u>	<u>\$ 532,319</u>	<u>\$ 517,492</u>
LIABILITIES:			
Current liabilities	\$ 55,651	\$ 47,824	\$ 39,923
Non-current liabilities	229,563	208,178	213,382
Total liabilities	285,214	256,002	253,305
NET ASSETS:			
Invested in capital assets, net of related debt	175,660	167,966	160,800
Restricted, expendable	17,442	22,892	20,246
Unrestricted	91,643	85,459	83,141
Total net assets	284,745	276,317	264,187
Total liabilities and net assets	<u>\$ 569,959</u>	<u>\$ 532,319</u>	<u>\$ 517,492</u>

The University's total assets increased during fiscal year 2009 by \$37,639,907 from \$532,318,830 in 2008 to \$569,958,737 in 2009. Capital assets continued to grow due to the University's large construction projects. Cash and investments increased by the net of bond proceeds for construction less current year construction spending. The

University's total liabilities increased during fiscal year 2009 by \$29,211,682 from \$256,001,581 in 2008 to \$285,213,263 in 2009. The majority of the increase was in notes and bonds payable due to the impact of the current year bond issue and normal debt payment activity.

Statement of Revenues, Expenses, and Changes in Net Assets

Changes in total net assets, as presented on the statement of net assets, are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of the statement is to present the revenues (operating and non-operating) received by the University, and the expenses (operating and non-operating)

paid by the institution and any other revenues, expenses, gains and losses received or spent by the University. The University will always reflect a net operating loss because state general fund appropriations are not reported as operating revenues. Generally speaking, operating revenues are generated by providing

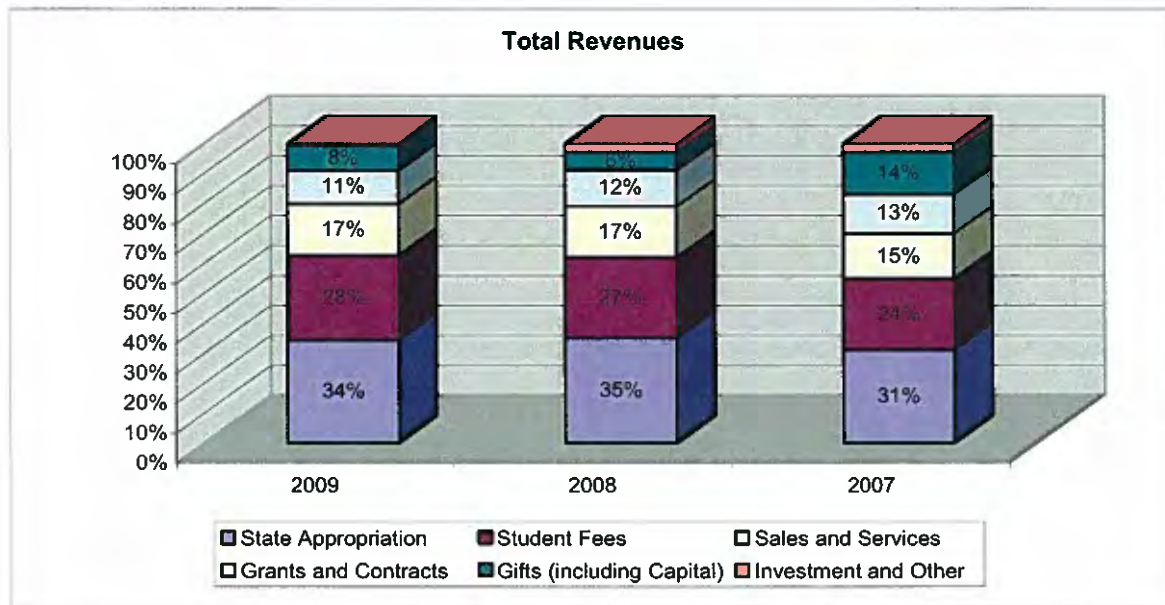
BOISE STATE UNIVERSITY

services to the various customers, students and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the services provided in return for operating revenues and to carry out the functions of the University. Non-operating revenues are revenues received for which services are not provided. For example, state general funds are non-operating as defined by GASB Statement No. 34, "*Basic Financial Statements and*

Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 35, "*Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*" because the Idaho State Legislative process provides them to the University without the Legislature directly receiving services in exchange for those revenues.



BOISE STATE UNIVERSITY

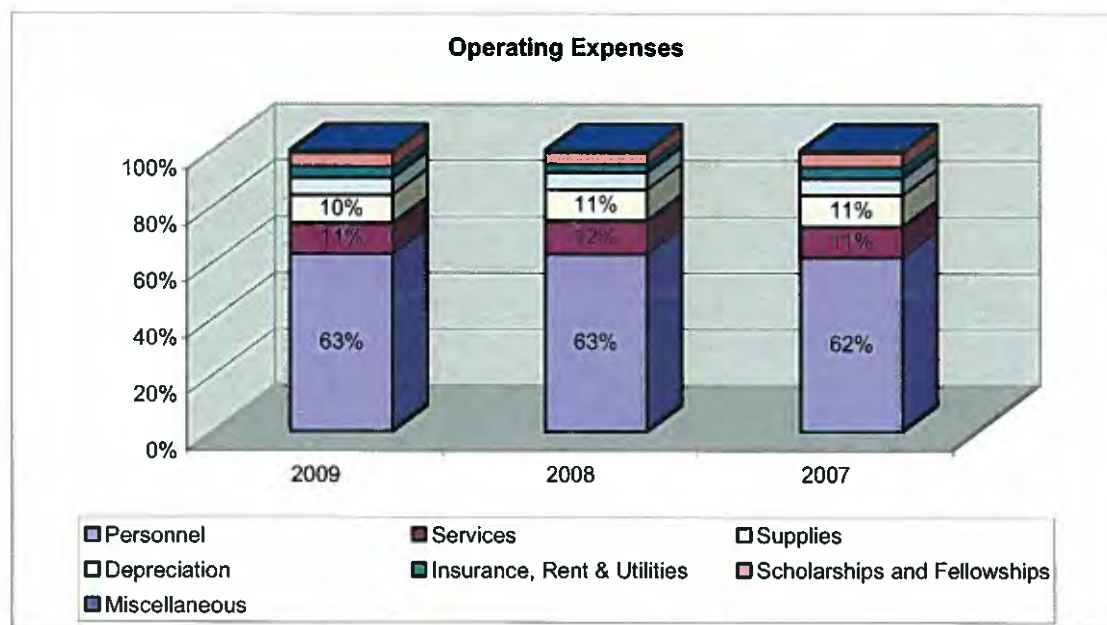
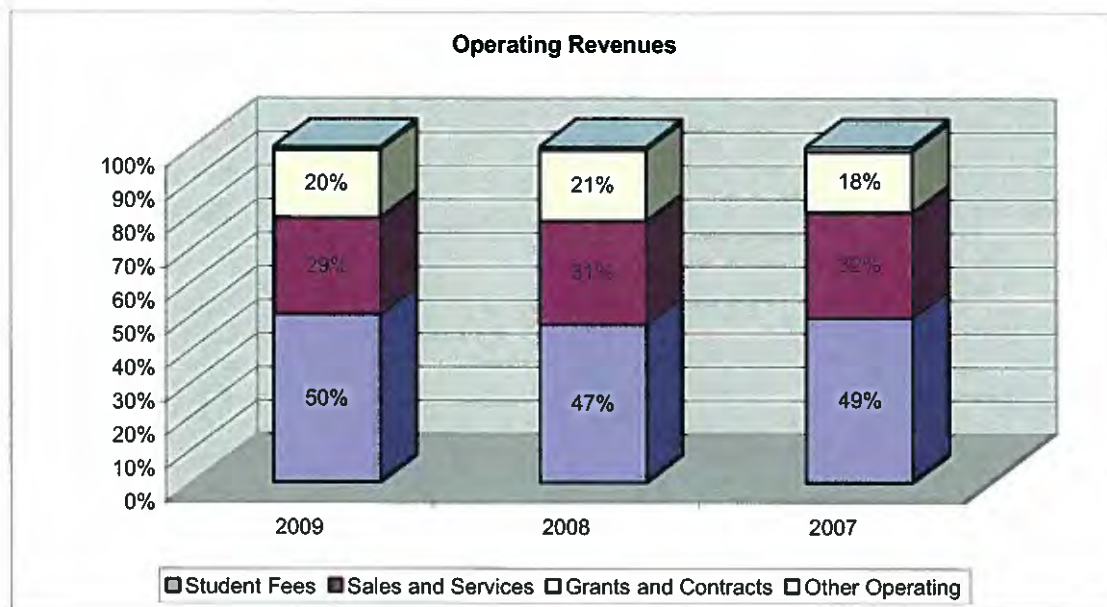


Summary Statements of Revenues, Expenses, and Changes in Net Assets			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2009	2008	2007
Operating revenues	\$ 155,978	\$ 150,956	\$ 134,989
Operating expenses	269,658	257,731	230,575
Operating loss	(113,680)	(106,775)	(95,586)
Non-operating revenues and expenses	119,927	117,241	113,471
Income before other revenues, expenses, gains or losses	6,247	10,466	17,885
Other revenues and expenses	2,181	1,664	24,207
Increase in net assets	8,428	12,130	42,092
Net assets—Beginning of year	276,317	264,187	222,095
Net assets—End of year	\$ 284,745	\$ 276,317	\$ 264,187

The statement of revenues, expenses, and changes in net assets reflects an overall increase in net assets during fiscal year 2009. Operating revenues increased by \$5,022,339 from \$150,955,596 in 2008 to \$155,977,935 in 2009. This increase is caused by increases in student fees. Tuition and fee rates increased by five percent and Fall enrollment increased by two percent, increasing net student fee revenues by \$5.6 million. Operating expenses increased by

\$11,927,094 from \$257,730,578 in 2008 to \$269,657,672 in 2009. Sixty percent of this increase relates to personnel costs. Medical insurance premiums increased \$2.4 million. The University implemented a two percent salary increase after considering State holdbacks while the workforce remained relatively flat. Another \$3 million of the increase was in the area of scholarships and fellowships which has been an emphasis for the University.

BOISE STATE UNIVERSITY



BOISE STATE UNIVERSITY

Statement of Cash Flows

The final statement presented by the University is the statement of cash flows. The statement of cash flows presents detailed information about the cash activity of the University during the year. The statement of cash flows is not presented for component units. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing and

non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The fifth section reconciles the net cash used in operating activities to operating income or loss reflected on the statement of revenues, expenses, and changes in net assets.

Summary Statements of Cash Flows			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2009	2008	2007
Cash provided (used) by:			
Operating activities	\$ (94,277)	\$ (87,708)	\$ (75,715)
Non-capital financing activities	129,557	122,022	111,215
Capital and related financing activities	(25,284)	(77,279)	42,072
Investing activities	(2,210)	45,737	(67,273)
Net change in cash	7,786	2,772	10,299
Cash—Beginning of year	42,720	39,948	29,649
Cash—End of year	\$ 50,506	\$ 42,720	\$ 39,948

Overall, cash increased by \$7,785,483 during the year compared to a cash increase of \$2,772,033 during fiscal year 2008. Cash used in operating activities totaled \$94.3 million in fiscal year 2009 compared \$87.7 million in fiscal year 2008. The largest area of change is payments to employees and is consistent with the increase in operating expenses. The significant use of cash for capital and related financing activities in 2009 related to spending on construction

projects in progress during the year and nearly \$12 million of defeased bonds were offset by \$43 million of new bonds issued. The spending on construction projects is a continuation of the trend from previous years as the campus plant continues to change rapidly. Cash used by investing activities totaled \$2.2 million due to the purchase of investments from the bond proceeds received offset by liquidation of investments for construction spending. The

BOISE STATE UNIVERSITY

rate of liquidation of investments was consistent with the previous year's cash flow.

Capital Asset and Debt Administration

The University's capital assets, prior to depreciation, increased by \$39,775,200 from \$505,693,241 in 2008 to \$545,468,441 in 2009. The University continued to build and acquire property and buildings consistent with the Campus Master Plan. Capital asset additions in 2009 included the completion of the Stueckle Sky Club stadium addition and the Student Union expansion and renovation. Construction continues on the Norco Nursing and University Health Center. Total notes, bonds, and capital leases increased by \$24,307,154 from \$208,582,244 in 2008 to \$232,889,398 in 2009, due to the issuance of \$42,595,000 of Series 2009A General revenue bonds offset by repayments on outstanding debt.

Economic Outlook

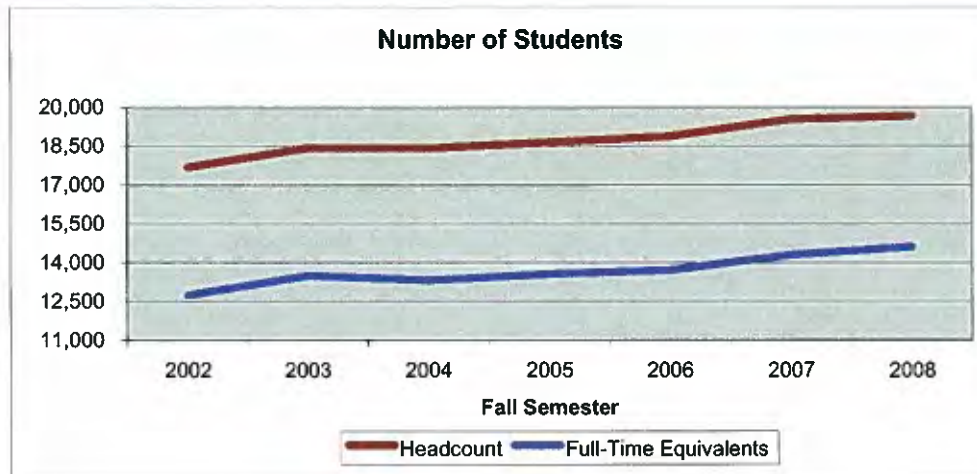
The State of Idaho had a difficult fiscal year that resulted in budget holdbacks for all state agencies. Revenues for the year ended June 30, 2009 were 15.3 percent below those of the previous year. Tax revenues for fiscal year 2010 continue to be below budgeted projections. The State's fiscal year 2010 budget was finalized prior to the end of 2009. As a result, revenues in the current state budget are 3.4 percent higher than what was realized in 2009. Agencies are aware that a holdback of some level is highly likely in 2010.

Concurrent, with reducing state budgets, the University is continuing to see increased academic demand. In light of the economic downturn, students are returning to complete degrees or retrain in new disciplines.

Additionally, the University completed the transfer of the Selland College to the College of Western Idaho ("CWI") during the current fiscal year. The transition included the sale of approximately \$800,000 in assets at net book value and the donation of land at cost of \$1.8 million on which the main academic building for the new college is built. The donation is included in other non-operating expense. The building was financed and owned by the State of Idaho and was not carried in the University's statements. While the transaction did not have a significant financial statement impact, it does have a significant programmatic impact. Approximately, 700 Full-Time Equivalent students previously attending Boise State University in the Selland College professional technical programs are now attending CWI.

However, in spite of the initial impact of the opening of CWI, all indications are that enrollment will continue to strengthen in future years. Applications and admissions remain strong while retention is improving. Summer session enrollment was 10 percent higher than the previous summer. Graduate student enrollment is up 6.8 percent and first time degree seeking student admissions are up 4 percent in Fall of 2009 compared to Fall of 2008.

BOISE STATE UNIVERSITY



Other variables including federal stimulus funding, potential reductions in gifts, and potential increases or decreases in federal student aid could also have an impact on the University's future funding package.

Management has taken several actions to plan for future funding scenarios. A portion of reserves has been set aside to absorb a potential holdback of state funding. Several funding models have been developed to allow for a thoughtful reaction to factors as they solidify.

There has been continued progress on major initiatives despite the current economy. The comprehensive fundraising campaign, Destination Distinction, is designed to support students, faculty, strategic initiatives, research and infrastructure and has raised 65% of the goal of \$175 million, or \$114 million.

Construction has completed on the Student Union expansion. The Norco Nursing and University Health Center will open during

the fall of 2009. The 2009A bonds provide funding for an additional parking garage as well as the Center for Environmental Science and Economic Development. It is anticipated that bonds will be issued for the new College of Business and Economics during fiscal year 2010 and the President recently announced a new Institute for the Arts and Humanities that may be located on the land vacated by the College of Business. Emphasis will continue to be placed on developing the campus in line with the Campus Facilities Master Plan.

The University's strategic plan, *Charting the Course*, lays out a road map for Boise State University to become a "Metropolitan Research University of Distinction." The destination will be reached through Academic Excellence, Public Engagement, Vibrant Culture, and Exceptional Research. In general, the economic uncertainty has not changed the path the University is taking however certain initiatives may be impacted in terms of the timing of their completion.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
STATEMENTS OF NET ASSETS
JUNE 30, 2009 AND JUNE 30, 2008

	University 2009	University 2008
ASSETS		
CURRENT ASSETS:		
Cash with treasurer	\$ 28,398,819	\$ 26,728,659
Cash and cash equivalents	22,107,083	15,991,760
Student loans receivable	1,324,200	1,226,174
Accounts receivable and unbilled charges, net	19,115,919	16,153,379
Prepaid expense	930,245	2,085,349
Inventories	2,026,012	3,454,114
Investments	20,697,165	33,136,060
Due from component units	2,225,982	2,359,966
Other current assets	157,631	337,086
Total current assets	96,983,056	101,472,547
NON-CURRENT ASSETS:		
Student loans receivable, net	9,410,077	10,270,584
Investments	85,379,385	67,711,203
Investments held in trust	474,522	497,136
Deferred bond financing costs	2,281,745	2,467,950
Capital assets, net	374,655,659	348,974,477
Other assets	774,293	924,933
Total non-current assets	472,975,681	430,846,283
TOTAL ASSETS	\$ 569,958,737	\$ 532,318,830

See notes to financial statements.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 STATEMENTS OF NET ASSETS (CONTINUED)
 JUNE 30, 2009 AND JUNE 30, 2008

	University 2009	University 2008
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 5,616,721	\$ 4,900,006
Due to state agencies	10,476,683	8,717,329
Accrued salaries and benefits payable	8,846,366	8,760,727
Compensated absences payable	6,358,350	5,929,643
Interest payable	2,685,683	2,363,632
Unearned revenue	10,264,449	9,705,125
Notes and bonds payable	9,288,006	5,799,412
Obligations under capital lease	381,667	393,226
Obligations under capital lease - component unit	275,000	265,000
Other liabilities	1,458,143	989,317
Total current liabilities	<u>55,651,068</u>	<u>47,823,417</u>
NON-CURRENT LIABILITIES:		
Unearned revenue	1,902,475	2,052,475
Notes and bonds payable	220,454,152	198,904,846
Obligations under capital lease	113,775	567,962
Obligations under capital lease - component unit	2,376,798	2,651,798
Net Other Post Employment Benefits Obligation	4,186,211	3,555,632
Other liabilities	528,784	445,451
Total non-current liabilities	<u>229,562,195</u>	<u>208,178,164</u>
TOTAL LIABILITIES	<u>285,213,263</u>	<u>256,001,581</u>
NET ASSETS:		
Invested in capital assets, net of related debt	175,660,290	167,965,615
Restricted, expendable	17,442,188	22,892,158
Unrestricted	91,642,996	85,459,476
TOTAL NET ASSETS	<u>284,745,474</u>	<u>276,317,249</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 569,958,737</u>	<u>\$ 532,318,830</u>

See notes to financial statements.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 COMPONENT UNITS
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2009 AND JUNE 30, 2008

	Component Unit 2009	Component Units 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,611,765	\$ 1,857,146
Accrued interest and other receivables	796,984	150,852
Pledges receivable - current portion	7,130,589	10,536,671
Certificate of Deposit	-	2,000,000
Investment in lease - technology building current portion	302,356	291,166
Total current assets	11,841,694	14,835,835
NON-CURRENT ASSETS:		
Restricted cash and cash equivalents	3,939,025	9,725,906
Pledges receivable	18,160,748	17,308,132
Investments	76,709,978	87,367,744
Interest in perpetual trusts	2,160,466	2,765,876
Investments in real estate	10,157,836	1,718,064
Funds held by trustee	629,704	763,879
Investment in lease - technology building	2,578,142	2,880,499
Other assets	761,831	830,266
Total non-current assets	115,097,730	123,360,366
TOTAL ASSETS	\$ 126,939,424	\$ 138,196,201

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 COMPONENT UNITS
 STATEMENTS OF FINANCIAL POSITION (CONTINUED)
 JUNE 30, 2009 AND JUNE 30, 2008

	Component Unit 2009	Component Units 2008
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,735,212	\$ 180,294
Interest payable	38,568	41,383
Prepaid memberships and suites/press box	2,175,529	950,748
Liability for split interest trusts	69,366	77,068
Trust earnings payable to trust beneficiaries	20,364	20,364
Long-term liabilities - current portion	275,000	265,000
Deferred revenue - current portion	76,607	1,987,676
Total current liabilities	4,390,646	3,522,533
NON-CURRENT LIABILITIES:		
Bonds and certificates payable	7,878,000	3,095,000
Deferred revenue	447,131	523,739
Deferred suites/press box revenue	447,167	535,725
Liability under split interest trust agreements	895,901	877,225
Amounts held in custody for others	1,338,946	1,968,347
Trust earnings payable to trust beneficiaries	237,662	225,637
Total non-current liabilities	11,244,807	7,225,673
TOTAL LIABILITIES	15,635,453	10,748,206
NET ASSETS:		
Permanently restricted	58,845,927	56,151,641
Temporarily restricted	49,564,601	63,437,160
Unrestricted	2,893,443	7,859,194
TOTAL NET ASSETS	111,303,971	127,447,995
TOTAL LIABILITIES AND NET ASSETS	\$ 126,939,424	\$ 138,196,201

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

	University 2009	University 2008
OPERATING REVENUES:		
Student fees, pledged for bonds	\$ 96,333,782	\$ 88,429,134
Scholarship allowance	(19,103,067)	(16,846,698)
Student fees, net	77,230,715	71,582,436
Federal grants and contracts (including \$2,925,208 and \$2,126,616 of revenues pledged for bonds in 2009 and 2008, respectively)	24,422,557	25,400,745
State and local grants and contracts (including \$265,854 and \$655,473 of revenues pledged for bonds in 2009 and 2008, respectively)	4,451,941	3,587,127
Private grants and contracts (including \$89,399 and \$305,263 of revenues pledged for bonds in 2009 and 2008, respectively)	1,594,043	1,860,851
Sales and services of educational activities, pledged for bonds	1,496,087	2,107,319
Sales and services of auxiliary enterprises, pledged for bonds	44,223,232	44,512,074
Other, pledged for bonds	2,559,360	1,905,044
Total operating revenues	155,977,935	150,955,596
OPERATING EXPENSES:		
Personnel cost	170,015,712	162,599,726
Services	28,312,633	29,621,624
Supplies	27,909,212	28,392,395
Insurance, utilities and rent	9,917,659	8,468,058
Scholarships and fellowships	13,144,875	10,276,477
Depreciation	17,217,330	15,208,376
Miscellaneous	3,140,251	3,163,922
Total operating expenses	269,657,672	257,730,578
OPERATING (LOSS) INCOME	(113,679,737)	(106,774,982)

See notes to financial statements.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)
 FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

	University 2009	University 2008
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	\$ 92,834,690	\$ 92,409,481
Pell Grants	16,533,564	14,308,303
Gifts (includes gifts from component units equal to \$13,922,062 and \$8,907,838 in 2009 and 2008, respectively)	20,265,154	15,616,249
Net investment income (including \$1,509,486 and \$2,837,082 of revenues pledged by the University for bonds in 2009 and 2008, respectively)	2,582,815	6,502,202
Change in fair value of investments (including \$26,904 and (\$8,272) of revenues pledged by the University for bonds in 2009 and 2008, respectively)	150,596	355,432
Interest (net of capitalized interest by the University of \$62,481 and \$437,151 in 2009 and 2008, respectively)	(9,662,177)	(10,433,981)
Gain (loss) on retirement of capital assets	(506,855)	(1,025,874)
Other	(2,270,702)	(490,410)
Net non-operating revenues (expenses)	119,927,085	117,241,402
INCOME BEFORE OTHER REVENUES AND EXPENSES	6,247,348	10,466,420
OTHER REVENUES AND EXPENSES:		
Capital appropriations	785,000	523,006
Capital grants and gifts	1,395,877	1,140,843
Total other revenue	2,180,877	1,663,849
INCREASE IN NET ASSETS	8,428,225	12,130,269
NET ASSETS—Beginning of year	276,317,249	264,186,980
NET ASSETS—End of year	\$ 284,745,474	\$ 276,317,249

See notes to financial statements.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 COMPONENT UNITS
 STATEMENTS OF ACTIVITIES
 FISCAL YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Component Unit 2009
OPERATING REVENUES:				
Gifts	\$ 669,440	\$ 5,792,463	\$ 2,315,911	\$ 8,777,814
In-kind contributions	1,272,137	3,050,000	-	4,322,137
BAA membership	2,711,734	50,253	-	2,761,987
Non-charitable income	264,765	2,468,114	437,916	3,170,795
Interest and dividends	801,580	1,893,963	93	2,695,636
Change in split interest trusts	-	(89,501)	(6,910)	(96,411)
Change in fair value of investments	(6,394,199)	(14,249,808)	-	(20,644,007)
Total revenues	(674,543)	(1,084,516)	2,747,010	987,951
Donation from Bronco Athletic Association	103,893	18,805,173	10,279,086	29,188,152
Total revenues & gains	(570,650)	17,720,657	13,026,096	30,176,103
Net assets released from restrictions through satisfaction of:				
Program restrictions	13,075,328	(13,075,328)	-	-
Board and donor designated transfers	42,926	(45,992)	3,066	-
Total operating revenues	12,547,604	4,599,337	13,029,162	30,176,103
OPERATING EXPENSES:				
Distribution of scholarships	2,602,869	-	-	2,602,869
Distribution of funds for academic programs	3,569,008	-	-	3,569,008
Distribution of funds for athletic programs:				
Program services	6,909,854	-	-	6,909,854
Fundraising expenses	190,307	-	-	190,307
Management and general	516,973	-	-	516,973
Uncollectable pledge expense	636,013	-	-	636,013
Repair & maintenance on building	133,051	-	-	133,051
Administrative expense:				
Program services	231,011	-	-	231,011
Fundraising expenses	2,321,240	-	-	2,321,240
Management and general	1,226,456	-	-	1,226,456
Total operating expenses	18,336,782	-	-	18,336,782
OPERATING INCOME	(5,789,178)	4,599,337	13,029,162	11,839,321
NON-OPERATING REVENUES (EXPENSES):				
Lease income	-	255,254	-	255,254
Amortization of deferred income	-	76,607	-	76,607
Gain on sale of property	1,428,507	-	-	1,428,507
Interest on capital asset - related debt	(372,938)	-	-	(372,938)
Depreciation and amortization expense	(115,943)	-	-	(115,943)
Total non-operating revenues (expenses)	939,626	331,861	-	1,271,487
CHANGE IN NET ASSETS	(4,849,552)	4,931,198	13,029,162	13,110,808
NET ASSETS - Beginning of year	7,742,995	44,633,403	45,816,765	98,193,163
NET ASSETS - End of year	\$ 2,893,443	\$ 49,564,601	\$ 58,845,927	\$ 111,303,971

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 COMPONENT UNITS
 STATEMENTS OF ACTIVITIES
 FISCAL YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Component Units 2008
OPERATING REVENUES:				
Gifts	\$ 675,025	\$ 33,451,121	\$ 2,819,060	\$ 36,945,206
In kind contributions	1,106,415	-	-	1,106,415
BAA membership	2,308,543	-	-	2,308,543
Non-charitable income	551,538	(68,012)	328,736	812,262
Interest and dividends	1,111,361	2,110,352	-	3,221,713
Change in split interest trusts	-	(218,035)	2,768	(215,267)
Change in fair value of investments	(319,469)	(2,759,692)	-	(3,079,161)
Total revenues	5,433,413	32,515,734	3,150,564	41,099,711
Net assets released from restrictions through satisfaction of:				
Program restrictions	8,900,049	(8,880,510)	(19,539)	-
Board and donor designated transfers	59,426	(190,929)	131,503	-
Total operating revenues	14,392,888	23,444,295	3,262,528	41,099,711
OPERATING EXPENSES:				
Distribution of scholarships	2,150,589	-	-	2,150,589
Distribution of funds for academic programs	2,890,361	-	-	2,890,361
Donations to Boise State University Athletics	3,866,888	-	-	3,866,888
Administrative expense:				
Program services	231,900	-	-	231,900
Fundraising expenses	2,906,652	-	-	2,906,652
Management and general	2,148,955	-	-	2,148,955
Total operating expenses	14,195,345	-	-	14,195,345
OPERATING INCOME	197,543	23,444,295	3,262,528	26,904,366
NON-OPERATING REVENUES (EXPENSES):				
Amortization of deferred income	-	76,607	-	76,607
Gain on sale of property	443,730	-	-	443,730
Interest on capital asset - related debt	(168,114)	-	-	(168,114)
Depreciation and amortization expense	(52,382)	-	-	(52,382)
Total non-operating revenues (expenses)	223,234	76,607	-	299,841
CHANGE IN NET ASSETS	420,777	23,520,902	3,262,528	27,204,207
NET ASSETS - Beginning of year as restated	7,438,417	39,916,258	52,889,113	100,243,788
NET ASSETS - End of year	\$ 7,859,194	\$ 63,437,160	\$ 56,151,641	\$ 127,447,995

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 STATEMENTS OF CASH FLOWS
 FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

	University 2009	University 2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student fees	\$ 76,606,492	\$ 71,885,722
Grants and contracts	29,368,192	29,622,388
Sales and services of educational activities	2,293,523	1,090,768
Sales and services of auxiliary enterprises	43,543,267	46,538,010
Other operating receipts	2,310,041	1,835,440
Payments to employees	(168,828,538)	(156,114,962)
Payments for services	(28,460,509)	(29,902,423)
Payments to suppliers	(25,811,001)	(29,649,076)
Payments for insurance, utilities and rent	(9,915,656)	(8,530,197)
Payments for scholarships and fellowships	(13,138,381)	(10,258,202)
Loans issued to students	(1,009,711)	(2,193,043)
Collections of loans to students	1,178,827	1,229,530
Other payments	(2,413,530)	(3,262,295)
Net cash used in operating activities	(94,276,984)	(87,708,340)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State appropriations	92,834,691	92,490,491
Pell Grants	16,533,564	14,308,303
Gifts	20,188,788	15,223,189
Direct lending receipts	70,203,424	52,905,243
Direct lending payments	(70,203,424)	(52,905,243)
Net cash provided by non-capital financing activities	129,557,043	122,021,983
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and gifts	1,395,877	512,651
Capital appropriations	785,000	523,005
Purchases of capital assets	(42,997,814)	(59,756,312)
Proceeds from notes and bonds payable	41,776,907	-
Principal paid on notes and bonds payable and capital leases	(17,944,754)	(8,432,473)
Interest paid on notes and bonds payable and capital leases	(9,398,306)	(10,348,168)
Payments for bond issuance costs	(506,068)	-
Other	1,605,058	222,648
Net cash used in capital and related financing activities	(25,284,100)	(77,278,649)

See notes to financial statements.

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY
 STATEMENTS OF CASH FLOWS (CONTINUED)
 FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

	University 2009	University 2008
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	\$ (209,539,306)	\$ (215,368,992)
Proceeds from sales and maturities of investments	204,456,323	254,113,364
Investment income	<u>2,872,507</u>	<u>6,992,667</u>
Net cash used by investing activities	<u>(2,210,476)</u>	<u>45,737,039</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER	7,785,483	2,772,033
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—Beginning of year	<u>42,720,419</u>	<u>39,948,386</u>
CASH AND CASH EQUIVALENTS AND CASH WITH TREASURER—End of year	<u>\$ 50,505,902</u>	<u>\$ 42,720,419</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (113,679,737)	\$ (106,774,982)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	17,272,704	15,266,618
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	(2,985,972)	(2,159,542)
Student loans receivable, net	762,482	(1,201,167)
Inventories	1,428,102	(685,610)
Other assets	1,250,369	(3,117,272)
Accounts payable and accrued liabilities	(258,716)	517,329
Accrued salaries and benefits payable	109,070	2,120,061
Compensated absences payable	428,707	874,670
Unearned revenue	409,324	2,866,728
Other Post Employment Benefits Obligation	630,579	3,555,632
Other liabilities	<u>356,104</u>	<u>1,029,195</u>
Net cash used in operating activities	<u>\$ (94,276,984)</u>	<u>\$ (87,708,340)</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Defeasance of debt	\$ 12,064,724	
Donated assets	\$ 610,013	\$ 518,461
Donation of land to the College of Western Idaho	<u>\$ 1,846,614</u>	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
THE FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The University is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho reporting entity, and is directed by the State Board of Education (“SBOE”), a body that is appointed by the Governor and confirmed by the legislature. The University is part of the primary government of the State of Idaho and is included in the State’s Comprehensive Annual Financial Report (“CAFR”) within the Business-Type Activities/Enterprise Funds. The University’s financial statements are prepared in accordance with pronouncements of the Governmental Accounting Standards Board (“GASB”) and in accordance with Generally Accepted Accounting Principles (“GAAP”).

GASB Statement No. 39, “*Determining Whether Certain Organizations are Component Units*” requires that significant component units be discretely presented. The University considers component units with net assets greater than five percent of the University’s net assets to be significant. During the year ended June 30, 2009 certain assets were transferred from the Bronco Athletic Association, Inc. (The “Association”) to the Boise State University Foundation, Inc. which reduced the Associations net assets to an insignificant amount. As such, the Foundation is discretely presented for the year ended June 30, 2009, while the Foundation and Association are combined for discrete presentation for the year ended June 30, 2008. The Foundation was established

for the purpose of soliciting donations for the exclusive benefit of the University. The Association is a fund raising organization that provides financial assistance and services to the University intercollegiate athletic department. Financial statements of the component units may be obtained from the Vice President for Finance and Administration at the University. Component units’ financial statements are prepared in accordance with Financial Accounting Standards Board (“FASB”) pronouncements and in accordance with GAAP.

Financial Statement Presentation – The University has adopted GASB Statement No. 49, “*Accounting and Financial Reporting for Pollution Remediation Obligations*”. This Statement addresses accounting and financial reporting standards for pollution (including contamination), remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. There were no triggering events that would cause the University to record a liability as of June 30, 2009.

Basis of Accounting – For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting in

BOISE STATE UNIVERSITY

accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The University has the option to apply all Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date.

The Foundation and Association are legally separate private non-profit organizations that report under FASB standards. As such, certain revenue recognition criteria and presentation are different from GASB revenue recognition criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the University. No modifications have been made to the Foundation's or the Association's financial information included in the University's financial report.

Cash with Treasurer – Balances classified as Cash with Treasurer are amounts that have been remitted to the State of Idaho as a result of the student fee collection process and, once remitted; these balances are under the control of the State Treasurer. The University is not allocated any interest earnings on these balances.

Cash and Cash Equivalents – The University considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents. Cash

balances that are restricted and not expected to be expended within the subsequent fiscal year are classified as non-current assets.

Inventories – Inventories, consisting primarily of bookstore inventories, are valued at the lower of first-in, first-out ("FIFO") cost or market.

Investments – The University accounts for its investments at fair value in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Changes in unrealized gains or losses on the carrying value of investments are reported as a component of change in fair value of investments in the statement of revenues, expenses, and changes in net assets. Investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets as well as investment amounts of maturities that exceed one year, are classified as non-current assets in the statement of net assets.

The University deposits funds for investment with the Idaho State Treasury. Funds deposited with the State Treasury can be subject to securities lending transactions initiated by the State Treasury.

Capital Assets, net – Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of gift. The University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings and land

BOISE STATE UNIVERSITY

improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for land improvements, 10 years for library books, and 5 to 13 years for equipment. The University has certain collections that it does not capitalize, including the Nell Shipman Film Collection and Albertson's Library Special Collections. These collections adhere to the University's policy to (a) maintain them for public exhibition, education or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at the time purchased rather than capitalized.

Non-current Liabilities – Non-current liabilities include principal amounts of revenue bonds payable, notes payable, and long-term capital lease obligations, net other post employment benefit obligations, non-current unearned revenue and arbitrage liabilities (presented in other liabilities).

Net Assets – The University's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt – This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital

assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted, Expendable – Restricted, expendable net assets include resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted – Unrestricted net assets represent resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the University, and may be used to meet current expenses for any lawful purpose and in accordance with SBOE policy.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Income and Unrelated Business Income Taxes – The University, as a political subdivision of the State of Idaho, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated

BOISE STATE UNIVERSITY

business income tax expense in the fiscal years ended June 30, 2009 or 2008.

Classification of Revenues and Expenses – The University classifies its revenue and expenses as operating or non-operating according to the following criteria. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues included activities that have characteristics of exchange transactions, such as (1) student fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts that are essentially contracts for services, and (4) interest earned on institutional student loans.

Non-operating revenues and expenses include activities that have characteristics of non-exchange transactions, such as transactions related to capital financing activities or investing activities as defined by GASB Statement No. 9, "*Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.*" Revenues from state general appropriations are classified as non-operating as defined by GASB Statement No. 34.

Scholarship Discounts and Allowances – Student fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for

goods and services provided by the University, and the amount that is paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the University has recorded a scholarship discount or allowance.

Use of Accounting Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and revenues and expenses during the year. Actual results could differ from those estimates.

Reclassifications – Certain prior year balances have been reclassified to conform to the current year presentation.

New Accounting Standards – In June 2007, the GASB issued Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets.*" This Statement defines an intangible asset's required characteristics and generally requires that they be treated as capital assets. Management has not yet determined the impact this standard will have on the University's financial statements. The requirements of this Statement are effective for the fiscal year ended June 30, 2010.

BOISE STATE UNIVERSITY

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, OTHER DEPOSITS, AND INVESTMENTS

Deposits – Cash with treasurer is under the control of the State Treasurer and is carried at cost. Cash and cash equivalents are deposited with federally chartered institutions and are carried at cost. Custodial risk is the risk that in the event of a financial institution failure, the deposits may not be returned. The State's policy for managing custodial

risk can be found in the Idaho Code, Section 67-2739.

Cash that is restricted in purpose from an external source and is not expected to be utilized within the next fiscal year is reported on the financial statements as restricted cash and as a non-current asset.

Basis of Custodial Risk as of June 30		2009	2008
Insured	\$	17,439,306	\$ 100,000
Uncollateralized		105,946	130,583
Collateralized by securities held by the pledging financial institution		4,561,831	15,761,177
Total	\$	22,107,083	\$ 15,991,760

Investments – Idaho Code, Section 67-1210, limits credit risk by restricting the investment activities of the Local Government Investment Pool ("LGIP") and state agencies. Idaho Code gives the SBOE the authority to establish investment policies for the Colleges and Universities. Section V, Subsection D of the Idaho SBOE Governing Policies and Procedures authorizes investments among some, but not all, of the investment types authorized for the State Treasurer.

Objectives of the University's investment policy are, in order of priority, safety of principal, ensuring necessary liquidity and achieving a maximum return. Covenants of certain bond resolutions also restrict investment of related funds to U.S. Government or government guaranteed securities.

The University invests in external investment pools managed by the State of Idaho and other money market fund providers. The State's investment pool is managed by the State Treasurer's Office in compliance with Idaho Code, Sections 67-1201 through 67-1222. The University had original cost of \$87,870,952 and \$49,575,762 invested in the State's external pools as of June 30, 2009 and 2008, respectively. The University also had \$1,236,760 and \$434,341 invested in AAA rated external money market funds as of June 30, 2009 and June 30, 2008 respectively.

Credit Risk Debt Securities – The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the

BOISE STATE UNIVERSITY

credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

Ratings, as of June 30, are presented below using the Moody's scale. AAA ratings signify that the portfolio holdings provide extremely strong protection against losses from credit defaults.

Concentration of Credit Risk – When investments are concentrated in one issuer, the concentration represents heightened risk of potential loss. No specific percentage identifies when concentration of risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when five percent of the total government investments are concentrated in any one issuer.

As of June 30, 2009, 84 percent of investments were in the state's AAA

rated external investment pool and 9 percent were in the federal government sponsored AAA rated Federal Home Loan Bank program.

As of June 30, 2008, 49 percent of investments were in the state's AAA rated external investment pool, 33 percent were in an AA rated 104 percent collateralized repurchase agreement, and 8 percent were in the AAA rated Federal National Mortgage Association loan program. Management believes the investment ratings; government sponsorship of the investments and over collateralization of the repurchase agreement mitigates any risk concentration.

The University is subject to policies as defined by the State of Idaho with respect to investments. The University has not adopted a formal policy addressing interest rate and concentration of credit risk.



BOISE STATE UNIVERSITY

Investment Type	June 30, 2009 (Dollars in Thousands)					
	Fair Value	% of Total	AAA	AA	A	BBB
External Investment Pool	\$ 89,237	84%	\$ 89,237	\$ -	\$ -	\$ -
Corporate Notes and Bonds	497	0%	-	97	308	92
US Treasury Notes and Bonds	139	0%	139	-	-	-
Federal Home Loan Bank	9,979	9%	9,979	-	-	-
Federal Farm Credit Bank	2,018	2%	2,018	-	-	-
Federal National Mortgage Assoc	1,936	2%	1,936	-	-	-
Federal Home Loan Mortgage Corp	2,745	3%	2,745	-	-	-
Total Investments	\$ 106,551	100%	\$ 106,054	\$ 97	\$ 308	\$ 92
% of Total			100%	0%	0%	0%

Investment Type	June 30, 2008 (Dollars in Thousands)					
	Fair Value	% of Total	AAA	AA	A	BBB
External Investment Pool	\$ 50,013	49%	\$ 50,013	\$ -	\$ -	\$ -
Corporate Notes and Bonds	1,322	1%	100	877	345	-
Guaranteed Investment Contract	33,522	33%	-	33,522	-	-
US Treasury Notes and Bonds	135	0%	135	-	-	-
Federal Farm Credit Bank	1,431	2%	1,431	-	-	-
Federal Home Loan Bank	4,357	4%	4,357	-	-	-
Federal Home Loan Mortgage Corp	2,452	3%	2,452	-	-	-
Federal National Mortgage Assoc	8,112	8%	8,112	-	-	-
Total Investments	\$ 101,344	100%	\$ 66,600	\$ 34,399	\$ 345	\$ -
% of Total			66%	34%	0%	0%

Interest Rate Risk – Investments in debt securities that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. Less than 1% of total investments are invested in securities with periods longer than 5 years.

BOISE STATE UNIVERSITY

June 30, 2009 (Dollars in Thousands)					
Investment Maturities In Years					
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	Over 10
External Investment Pool	\$ 89,237	\$ 89,237	\$ -	\$ -	\$ -
Corporate Notes and Bonds	497	244	156	97	-
US Treasury Notes and Bonds	139	-	54	56	29
Federal Home Loan Bank	9,979	4,749	5,230	-	-
Federal Farm Credit Bank	2,018	-	2,018	-	-
Federal National Mortgage Assoc	1,936	1,870	-	-	66
Federal Home Loan Mortgage Corp	2,745	-	2,591	95	59
Total	\$ 106,551	\$ 96,100	\$ 10,049	\$ 248	\$ 154

June 30, 2008 (Dollars in Thousands)					
Investment Maturities In Years					
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	Over 10
External Investment Pool	\$ 50,013	\$ 50,013	\$ -	\$ -	\$ -
Guaranteed Investment Contract	33,522	33,522	-	-	-
Corporate Notes and Bonds	1,322	200	552	570	-
US Treasury Notes and Bonds	135	-	53	55	28
Federal Home Loan Bank	4,357	4,188	169	-	-
Federal Farm Credit Bank	1,431	1,431	-	-	-
Federal National Mortgage Assoc	8,112	7,961	75	-	76
Federal Home Loan Mortgage Corp	2,452	2,288	-	-	164
Total	\$ 101,344	\$ 99,603	\$ 849	\$ 624	\$ 268

Investment Custodial Credit Risk - The University's investment securities are exposed to custodial credit risk if the securities are (i) uninsured, (ii) are not registered in the name of the University, or (iii) if they are held by either the counterparty or the counterparty's trust department or agent but not in the

University's name. While none of the University's investments are insured, the University's investments are either held in the University's name or the investments are not securities that exist in book entry or physical form. Therefore, the University has no investment custodial credit risk.

BOISE STATE UNIVERSITY

3. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES, NET

Accounts receivable and unbilled charges refer to the portion due to the University, as of June 30, by various

customers, students and constituencies of the University as a result of providing services to said groups.

	2009	2008
Student fees	\$ 9,477,875	\$ 7,704,526
Auxiliary enterprises and other operating activities	3,318,731	3,216,340
Federal, state, and private grants and contracts	2,336,696	1,338,493
Unbilled charges	6,785,697	6,208,594
Accounts receivable and unbilled charges	21,918,999	18,467,953
Less allowance for doubtful accounts	(2,803,080)	(2,314,574)
Accounts receivable and unbilled charges, net	\$ 19,115,919	\$ 16,153,379

4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the loans receivable at June 30, 2009 and 2008. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to maximum of 100% if the participant complies with certain provisions. The Federal Government reimburses the University for amounts cancelled under these provisions.

Loans receivable from students bear interest at rates ranging from 5% to 10% and are generally repayable in installments to the University over a 5 to 10 year period commencing 3 or 9 months after the date of separation from the University. The University out sources the loan servicing to a third party vendor.

As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, to absorb loans that will ultimately be written off. The allowance for uncollectible loans was \$23,200 and \$23,400 for the fiscal years ending June 30, 2009 and 2008, respectively.

In the event the University should withdraw from the Program or the Federal Government was to cancel the Program, the University would be required to repay \$8,209,463 as of June 30, 2009.

BOISE STATE UNIVERSITY

5. CAPITAL ASSETS, NET

Following are the changes in capital assets for the year ended June 30, 2009:

	2009 (Dollars in Thousands)				Balance June 30, 2009
	Balance July 1, 2008	Additions	Transfers	Retirements	
Capital assets not being depreciated:					
Land	\$ 41,339	\$ 3,429	\$ -	\$ (1,847)	\$ 42,921
Construction in progress	56,490	33,176	(67,786)	-	21,880
Total assets not being depreciated	<u>97,829</u>	<u>36,605</u>	<u>(67,786)</u>	<u>(1,847)</u>	<u>64,801</u>
Other capital assets:					
Building and improvements	318,712	263	66,156	(27)	385,104
Furniture and improvements	57,017	6,805	1,630	(2,403)	63,049
Library materials	32,135	2,017	-	(1,638)	32,514
Total other capital assets	<u>407,864</u>	<u>9,085</u>	<u>67,786</u>	<u>(4,068)</u>	<u>480,667</u>
Less accumulated depreciation:					
Buildings and improvements	(97,938)	(10,298)	-	18	(108,218)
Furniture and equipment	(36,054)	(5,068)	-	1,889	(39,233)
Library materials	(22,727)	(1,851)	-	1,217	(23,361)
Total accumulated depreciation	<u>(156,719)</u>	<u>(17,217)</u>	<u>-</u>	<u>3,124</u>	<u>(170,812)</u>
Other capital assets, net	<u>251,145</u>	<u>(8,132)</u>	<u>67,786</u>	<u>(944)</u>	<u>309,855</u>
Capital assets summary:					
Capital assets not being depreciated	97,829	36,605	(67,786)	(1,847)	64,801
Other capital assets at cost	407,864	9,085	67,786	(4,068)	480,667
Total cost of capital assets	<u>505,693</u>	<u>45,690</u>	<u>-</u>	<u>(5,915)</u>	<u>545,468</u>
Less accumulated depreciation	<u>(156,719)</u>	<u>(17,217)</u>	<u>-</u>	<u>3,124</u>	<u>(170,812)</u>
Capital assets, net	<u>\$ 348,974</u>	<u>\$ 28,473</u>	<u>\$ -</u>	<u>\$ (2,791)</u>	<u>\$ 374,656</u>

In addition to accounts payable for construction costs, the estimated cost to complete property authorized or under construction at June 30, 2009 is \$40,481,243. These costs will be paid from available reserves and construction proceeds from outstanding debt.

BOISE STATE UNIVERSITY

Following are the changes in capital assets for the year ended June 30, 2008:

	2008 (Dollars in Thousands)				
	Balance July 1, 2007	Additions	Transfers	Retirements	Balance June 30, 2008
Capital assets not being depreciated:					
Land	\$ 38,615	\$ 2,724	\$ -	\$ -	\$ 41,339
Construction in progress	39,384	52,431	(35,325)	-	56,490
Total assets not being depreciated	77,999	55,155	(35,325)	-	97,829
Other capital assets:					
Building and improvements	284,731	111	34,568	(698)	318,712
Furniture and improvements	56,051	4,018	757	(3,809)	57,017
Library materials	31,495	2,190	-	(1,550)	32,135
Total other capital assets	372,277	6,319	35,325	(6,057)	407,864
Less accumulated depreciation:					
Buildings and improvements	(89,895)	(8,453)	-	410	(97,938)
Furniture and equipment	(34,343)	(4,909)	-	3,198	(36,054)
Library materials	(22,010)	(1,846)	-	1,129	(22,727)
Total accumulated depreciation	(146,248)	(15,208)	-	4,737	(156,719)
Other capital assets, net	226,029	(8,889)	35,325	(1,320)	251,145
Capital assets summary:					
Capital assets not being depreciated	77,999	55,155	(35,325)	-	97,829
Other capital assets at cost	372,277	6,319	35,325	(6,057)	407,864
Total cost of capital assets	450,276	61,474	-	(6,057)	505,693
Less accumulated depreciation	(146,248)	(15,208)	-	4,737	(156,719)
Capital assets, net	\$ 304,028	\$ 46,266	\$ -	\$ (1,320)	\$ 348,974

6. UNEARNED REVENUE

Unearned revenues include amounts received for student fees, prepaid ticket sales, and other amounts received prior to the end of the fiscal year that will be earned in subsequent years. Student fees represent the portion of Summer school

revenues related to the number of days of instruction in the subsequent fiscal year and prepaid Fall Semester fees. Unearned revenue consists of the following at June 30:

	2009	2008
Student fees	\$ 2,954,986	\$ 2,218,574
Prepaid ticket sales	5,385,243	6,276,294
Other unearned revenue	3,826,695	3,262,732
Unearned revenue	\$ 12,166,924	\$ 11,757,600

BOISE STATE UNIVERSITY

7. LONG-TERM LIABILITIES

Following are the changes in bonds and notes payable, capital leases, non-current unearned revenue, due to state agencies (related to capital projects), net other post employment benefit obligations, and other liabilities for the fiscal years ended June 30, 2009 and 2008:

	2009 (Dollars in Thousands)				
	Beginning Balance July 1, 2008	Additions	Reductions	Ending Balance June 30, 2009	Amounts due within one year
Long-term debt:					
Revenue bonds payable	\$ 195,370	\$ 42,595	\$ (16,635)	\$ 221,330	\$ 5,030
Premium on revenue bonds	1,078	81	(96)	1,063	-
Notes payable	8,256	-	(907)	7,349	4,258
Capital lease obligations	961	-	(466)	495	382
Capital lease obligations - component unit	2,917	-	(265)	2,652	275
Total long-term debt	208,582	42,676	(18,369)	232,889	9,945
Other liabilities:					
Non-current unearned revenue	2,053	-	(151)	1,902	-
Net other post employment benefits	3,556	630	-	4,186	-
Non-current other	445	84	-	529	-
Total other liabilities	6,054	714	(151)	6,617	-
Long-term liabilities	\$ 214,636	\$ 43,390	\$ (18,520)	\$ 239,506	\$ 9,945

	2008 (Dollars in Thousands)				
	Beginning Balance July 1, 2007	Additions	Reductions	Ending Balance June 30, 2008	Amounts due within one year
Long-term debt:					
Revenue bonds payable	\$ 202,920	\$ -	\$ (7,550)	\$ 195,370	\$ 4,886
Premium on revenue bonds	1,226	-	(148)	1,078	-
Notes payable	9,139	-	(883)	8,256	914
Capital lease obligations	1,334	-	(373)	961	393
Capital lease obligations - component unit	3,172	-	(255)	2,917	265
Total long-term debt	217,791	-	(9,209)	208,582	6,458
Other liabilities:					
Non-current unearned revenue	1,577	536	(60)	2,053	-
Net other post employment benefits	-	3,556	-	3,556	-
Non-current other	-	445	-	445	-
Total other liabilities	1,577	4,537	(60)	6,054	-
Long-term liabilities	\$ 219,368	\$ 4,537	\$ (9,269)	\$ 214,636	\$ 6,458

BOISE STATE UNIVERSITY

8. NOTES AND BONDS PAYABLE

The University is required by bonding resolution to establish a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments of rebateable arbitrage to the United States. The arbitrage liability was \$528,784 and \$445,450 at June 30, 2009 and 2008, respectively. Management believes the University is in compliance with all bond covenants as of June 30, 2009 and 2008.

The University issued \$42,595,000, at par, of General Revenue and Refunding

Bonds (Series 2009A) during the period ended June 30, 2009. Proceeds of the 2009A Bond in the amount of \$30,775,920 were received by the University for designated projects and costs of issuance and \$12,064,724 was deposited in trust to refund portions of the Series 1998 Student Refunding and Improvement Bonds, Series 1998 Student Union and Housing System Refunding Bonds, and the Series 2001 Student Building Fee Revenue Bonds. The aggregate difference in debt service between the refunding debt and refunded debt was \$897,134 and the net present value of the savings due to refunding was \$811,010.

Pledged Revenue – As stated in the bond descriptions below, the University has pledged certain revenues as collateral for debt instruments. The pledged revenue amounts and coverage requirements are as follows for the year ended June 30, 2009:

	Series		
	2004A, 2005A, 2007A, 2007B, 2007C, 2009A	1998, 2002, 2003	Total
Pledged revenues:			
Student fees	\$ 90,745,612	\$ 5,588,169	\$ 96,333,781
Rentals	374,983	7,554,198	7,929,181
Residence dining income	-	2,837,775	2,837,775
Other	1,120,706	1,438,654	2,559,360
Sales & service	34,002,350	950,013	34,952,363
F&A recovery	3,280,461	-	3,280,461
Investment income	1,391,758	144,632	1,536,390
Total pledged revenue	130,915,870	18,513,441	149,429,311
Less operations and maintenance	(46,026,133)	(11,599,763)	(57,625,896)
Pledged revenues, net	\$ 84,889,737	\$ 6,913,678	\$ 91,803,415
Debt service	\$ 10,157,569	\$ 565,676	\$ 10,723,245
Debt service coverage	836%	1222%	856%
Coverage requirement	110%	120%	

BOISE STATE UNIVERSITY

Bonds payable, at June 30, 2009 consisted of the following:

Bond Issue	(Dollars in Thousands)						
	Original Face Value	Range of Annual Principal Amounts	Range of Semi Annual Interest Percentages	Maturity Date	Pledged Revenues	Outstanding Balance 2009	Outstanding Balance 2008
General Revenue Bonds, Series 2009A	\$ 42,595	\$720 - \$2,870	3.25% - 5.00%	2039	2	\$ 42,595	\$ -
General Revenue Bonds, Series 2007A	\$ 96,365	\$145 - \$7,880	4.00% - 5.00%	2037	2	96,365	96,365
General Revenue Bonds, Series 2007B	\$ 25,860	\$510 - \$1,760	4.00% - 5.00%	2037	2	25,860	25,860
General Revenue Bonds, Series 2007C	\$ 2,850	\$125 - \$600	5.21% - 5.21%	2014	2	2,360	2,850
Student Union and Housing System Refunding and Improvement Bonds, Series 2002	\$ 38,255	\$30 - \$45	5.375%	2012	1	120	165
General Revenue Bonds, Series 2004A	\$ 31,480	\$795 - \$2,205	3.00% - 5.00%	2033	2	28,240	29,035
General Revenue Bonds, Series 2005A	\$ 21,925	\$140 - \$2,695	3.25% - 5.00%	2034	2	20,560	21,010
Student Fee Refunding and Improvement Revenue Bonds, Series 1998	\$ 24,060	\$395 - \$1,285	4.70% - 5.10%	2014	3	-	5,490
Student Union and Housing System Refunding Revenue Bonds, Series 1998	\$ 7,860	\$875 - \$1,170	4.70% - 5.125%	2015	1	-	7,100
Student Union and Housing System Refunding Revenue Bonds, Series 2003	\$ 6,620	\$265 - \$1,715	3.25% - 5.00%	2017	1	5,230	5,495
Student Fees Refunding Revenue Bonds, Series 1996	\$ 14,115	\$1,365	5.15%	2009	3	-	1,365
Student Building Fee Refunding Revenue Bonds, Series 2001	\$ 4,455	\$205 - \$220	4.375% - 4.50%	2011	3	-	635
Bonds before premium						221,330	195,370
Premium on bonds						1,063	1,078
Total bonds outstanding						<u>\$ 222,393</u>	<u>\$ 196,448</u>

(1) pledged net revenues of Student Union and Housing System and certain student fees

(2) pledge of student fees, enterprise revenues, and funds and accounts held under resolution

(3) pledge of the net revenues of the Student Building System and certain student fees

BOISE STATE UNIVERSITY

Notes payable, at June 30, 2009 consisted of the following:

Notes Payable	(Dollars in Thousands)						
	Original Face Value	Terms	Interest Rate	Maturity Date	Collateralized by	Outstanding Balance 2009	Outstanding Balance 2008
2006 Bank note payable	\$ 3,381	11 year monthly amortization	4.77%	2016	1	\$ 2,537	\$ 2,804
Loan-line of credit	\$ 5,000	8 year quarterly amortization	49% of lender's prime rate	2011	2	1,487	2,127
Private note	\$ 3,325	Interest Only - Monthly	30 day LIBOR plus 2.35%	2010	1	3,325	3,325
Total notes payable						\$ 7,349	\$ 8,256

(1) Bronco Athletic Association guarantee, subordinate to bonds

(2) Unsecured

Principal and interest maturities on bonds payable are as follows for the year ending June 30, 2009:

Bonds Payable 2009 (Dollars in Thousands)			
	Principal	Interest	Total
2010	\$ 5,030	\$ 10,187	\$ 15,217
2011	5,095	9,918	15,013
2012	5,500	9,691	15,191
2013	5,800	9,422	15,222
2014	6,135	9,145	15,280
2015-2019	36,660	40,981	77,641
2020-2024	39,490	32,068	71,558
2025-2029	36,465	24,071	60,536
2030-2034	45,050	15,133	60,183
2035-2039	36,105	3,916	40,021
Total	\$ 221,330	\$ 164,532	\$ 385,862

At June 30, 2009, debt in the amount of \$38,060,000 is considered extinguished through refunding of prior issues by a portion of the current issues. Escrowed funds are held in trust in the amount of

\$38,925,023 for the payment of maturities on refunded bonds. Neither the debt nor the escrowed assets are reflected in the University's financial statements.

BOISE STATE UNIVERSITY

Principal and interest maturities on notes payable are as follows for the year ended June 30, 2009:

Notes Payable 2009 (Dollars in Thousands)				
	Principal		Interest	Total
2010	\$ 4,258	\$	216	\$ 4,474
2011	957		109	\$ 1,066
2012	486		86	\$ 573
2013	325		70	\$ 395
2014	341		55	\$ 396
2015-2019	981		64	\$ 1,045
Total	\$ 7,349	\$	599	\$ 7,948

9. CAPITAL LEASE OBLIGATIONS

The University has entered into various capital lease agreements covering buildings and equipment. Assets under capital lease are included in capital assets, net of depreciation. Amortization

of assets under capital lease is included in depreciation expense. These amounts are included in capital assets. The University leases a building from the Foundation.

Future minimum lease obligations under these agreements at June 30, 2009, are as follows:

	Building	Equipment	Total
2010	\$ 423,014	\$ 416,140	\$ 839,154
2011	429,899	117,216	547,115
2012	425,796	-	425,796
2013	430,753	-	430,753
2014	429,453	-	429,453
2015-2017	1,280,451	-	1,280,451
Total minimum obligations	3,419,366	533,356	3,952,722
Less interest	(767,568)	(37,914)	(805,482)
Present value of minimum obligations	\$ 2,651,798	\$ 495,442	\$ 3,147,240

BOISE STATE UNIVERSITY

Following are the changes in assets under capital lease for the years ended June 30, 2009 and 2008:

	2009 (Dollars in Thousands)			
	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
Assets under capital leases:				
Buildings and Improvements	\$ 6,973	\$ -	\$ -	\$ 6,973
Equipment	2,589		(188)	2,401
Total being amortized	\$ 9,562	\$ -	\$ (188)	\$ 9,374
Less accumulated amortization				
Buildings and improvements	(2,960)	(189)	-	(3,149)
Equipment	(2,138)	(60)	-	(2,198)
Total accumulated amortization	(5,098)	(249)	-	(5,347)
Assets under capital lease, net	\$ 4,464	\$ (249)	\$ (188)	\$ 4,027

	2008 (Dollars in Thousands)			
	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008
Assets under capital leases:				
Buildings and Improvements	\$ 6,733	\$ 240	\$ -	\$ 6,973
Equipment	2,589	-	-	2,589
Total being amortized	\$ 9,322	\$ 240	\$ -	\$ 9,562
Less accumulated amortization				
Buildings and improvements	(2,778)	(182)	-	(2,960)
Equipment	(1,987)	(151)	-	(2,138)
Total accumulated amortization	(4,765)	(333)	-	(5,098)
Assets under capital lease, net	\$ 4,557	\$ (93)	\$ -	\$ 4,464

10. RETIREMENT PLANS AND TERMINATION BENEFITS

Public Employee Retirement System of Idaho – The Public Employee Retirement System of Idaho (“PERSI”), a cost-sharing, multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on member’s years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school

district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. The benefits were established and may be amended by the Idaho State Legislature. Obligations to contribute to the plan are established by the PERSI Board as defined by Idaho Law. Financial reports for the plan are available from PERSI’s website www.persi.idaho.gov. After 60 months of credited service, members become fully vested in retirement benefits earned to date and receive a lifetime benefit at retirement. Members are eligible for

BOISE STATE UNIVERSITY

retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service

retirement allowance is 2% of the average monthly salary for the highest consecutive 42 months.

Contributions, for the three years ended June 30, are as follows:

	2009	2008	2007
PERSI:			
University required contribution rate	10.39%	10.39%	10.39%
Percentage of covered payroll for employees	6.23%	6.23%	6.23%
University contributions required and paid	\$ 3,135,557	\$ 3,144,020	\$ 3,036,069

Optional Retirement Plan – Effective July 1, 1990, the Idaho State Legislature authorized the SBOE to establish an Optional Retirement Plan (“ORP”), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by and may be amended by the State of Idaho.

New faculty and exempt employees hired July 1, 1990 or thereafter automatically enroll in the ORP and

select their vendor option. Faculty and exempt employees hired before July 1, 1990 had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options include Teachers Insurance and Annuity Association – College Retirement Equities and Variable Annuity Life Insurance Company.

Participants are immediately fully invested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

Contributions, for the three years ended June 30, are as follows:

	2009	2008	2007
ORP:			
University contribution	\$ 7,411,340	\$ 6,559,111	\$ 5,059,669
Employee contribution	\$ 5,579,722	\$ 5,243,778	\$ 4,529,497
Total contribution	\$ 12,991,062	\$ 11,802,889	\$ 9,589,166
University contribution rate	9.26%	9.26%	7.72%
Employee contribution rate	6.97%	6.97%	6.97%

The University contribution rate for ORP is 9.258%. Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute to PERSI. The contribution rate for PERSI

has decreased from 3.03% to 1.49% of the annual covered payroll as of July 1, 2007. These annual supplemental payments are required through July 1, 2025. During the years ended June 30,

BOISE STATE UNIVERSITY

2009, 2008, and 2007, this supplemental funding payment to PERSI was \$1,187,141, \$1,127,467, and \$1,908,399, respectively. This amount is not included in the regular University PERSI contribution discussed previously.

Termination Benefits – Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of their unused sick leave, with limits based on years of service, to continue their medical insurance coverage through the University. The benefit is classified under GASB Statement No. 16, “Accounting for Compensated Absences.” The

University partially funds these obligations by depositing 0.65% of employee gross payroll with PERSI, who administers the plan as a cost-sharing, multiple-employer plan. The total contributions for the years ended June 30, 2009, 2008, and 2007 were \$714,027, \$669,231 and \$608,815, respectively.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee Retirement System of Idaho, P.O. Box 83720, Boise, Idaho 83720-0078.

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Plans – The University participates in other postemployment benefit plans (OPEB) relating to health, disability, and life insurance administered by the State of Idaho as agent of multiple-employer defined benefit plans. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establishes the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. The most recent actuarial valuation is as of July 1, 2008. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Detail of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained as follows:

Office of the Idaho State Controller
 700 W. State Street, 4th Floor
 Boise, Idaho 83702
 P.O. Box 83720
 Boise, ID 83720-0011
www.sco.idaho.gov

Plan Description and Funding Policy:

Healthcare Plan – This plan allows retirees to purchase healthcare insurance coverage for themselves and eligible dependents. A retired employee of the University who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to have the retiree health insurance coverage for themselves and eligible dependents. To be eligible, University employees must enroll within sixty days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have ten or more years (20,800 or more hours) of credited state service. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The University contributed \$26 per

BOISE STATE UNIVERSITY

active non-retired employee per month towards the retiree premium cost.

Effective July 1, 2009, changes to this benefit regarding eligibility stipulate that an officer or employee must be an active employee on or before June 30, 2009, and retire directly from State service; the maximum benefit is \$1,860 per retiree per year. Additionally, any retiree who is currently eligible will remain so until they are eligible for Medicare. Beginning January 1, 2010, coverage will not be available to Medicare eligible retirees or their Medicare-eligible dependents.

Long-Term Disability Plan – This plan provides long-term disability income benefits for active employees who become disabled, generally up to a maximum age of 70. Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70% of their monthly salary for the first 30 months of disability. If after 30 months the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training, and unable to earn more than 60% of their monthly salary the employee is considered totally disabled. To qualify for long-term disability, the waiting period is the longer of 26 weeks of continuous total disability or exhaustion of accrued sick leave. The gross benefit equals the lesser of 60 percent of pre-disability monthly salary or \$4,000. The benefit does not increase with inflation and may be offset by other sources of income such as Social Security, Workers' Compensation, unemployment benefits, and certain retirement benefits. The State of Idaho is self-insured for

employees who became disabled prior to July 1, 2003; the State pays 100% of the cost of this benefit. The amount of contribution is based on active claims and the number of insured individuals.

Employees disabled after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. The University pays 100 percent of the cost of the premiums. The University's contribution for the period was 0.328 percent of payroll in fiscal year 2009. This portion of the long-term disability income benefit is not included in the actuarial estimate.

For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage under the State plan. The University pays 100 percent of the University's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The University's contribution for the period was \$6.96 per active employee per month in fiscal year 2009.

This plan also provides basic life insurance and dependent life coverage to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than \$20,000. In addition, a \$2,000 life insurance benefit is provided for spouses, and a \$1,000 life insurance benefit is provided for dependent children. These benefits do not increase with inflation. The University pays 100% of the premiums; the contribution

BOISE STATE UNIVERSITY

is actuarially determined based on actual claims experience.

Life Insurance Plan- This plan provides basic life insurance for certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100% of the annual salary at retirement. The University pays 100% of the cost of

basic life insurance. The University contribution for the period as a percent of payroll was 2.037% for retirees under age 65, 1.568% for retirees between the ages of 65 and 69, and 1.081% for retirees over the age of 70.

Annual OPEB Cost – The annual OPEB cost (AOC) is actuarially determined based on the annual required contribution (ARC) of the employer in accordance with GASB Statement Nos. 43 and 45.



Annual Financial Statements

41

Fiscal Year 2009

BOISE STATE UNIVERSITY

The following table illustrates the annual OPEB cost, the amount of contributions made, and the increase (decrease) in the net OPEB obligation, for the plans as of June 30:

2009 Annual OPEB Cost (Dollars in Thousands)						
	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Income	Life Insurance	Healthcare		
Annual OPEB cost						
Annual Required Contribution	\$ 402	\$ 109	\$ 86	\$ 193	\$ 941	\$ 1,731
Interest	140	(4)	2	4	32	174
Adjustment to ARC	(192)	5	(2)	(5)	(44)	(238)
Annual OPEB Cost	350	110	86	192	929	1,667
Contributions Made	(389)	(105)	(127)	(185)	(231)	(1,037)
Increase (Decrease) in Net OPEB Obligation	(39)	5	(41)	7	698	630
Net OPEB Obligation – Beginning of Year	2,784	(71)	35	74	734	3,556
Net OPEB Obligation (Funding Excess) – End of Year	\$ 2,745	\$ (66)	\$ (6)	\$ 81	\$ 1,432	\$ 4,186
Percentage of AOC Contributed	111.02%	96.03%	147.37%	96.06%	24.89%	62.18%

2008 Annual OPEB Cost (Dollars in Thousands)						
	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Income	Life Insurance	Healthcare		
Annual OPEB cost						
Annual Required Contribution	\$ 1,378	\$ 25	\$ 41	\$ 39	\$ 359	\$ 1,842
Interest	2,090	-	32	121	496	2,739
Adjustment to ARC	173	1	4	8	43	229
Annual OPEB Cost	3,641	26	77	168	898	4,810
Contributions Made	(856)	(97)	(42)	(95)	(164)	(1,254)
Increase (Decrease) in Net OPEB Obligation	2,785	(71)	35	73	734	3,556
Net OPEB Obligation – Beginning of Year	-	-	-	-	-	-
Net OPEB Obligation (Funding Excess) – End of Year	\$ 2,785	\$ (71)	\$ 35	\$ 73	\$ 734	\$ 3,556
Percentage of AOC Contributed	23.52%	371.32%	55.11%	56.21%	18.30%	26.08%

BOISE STATE UNIVERSITY

Annual OPEB Cost Comparison – The following table compares the annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation (funding excess) for the for the years ended June 30:

Annual OPEB Cost Comparison (Dollars in Thousands)							
		Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
			Income	Life Insurance	Healthcare		
Annual OPEB Cost	2009	\$ 350	\$ 109	\$ 87	\$ 191	\$ 929	\$ 1,666
	2008	\$ 3,641	\$ 26	\$ 77	\$ 168	\$ 898	\$ 4,810
Percentage of AOC Contributed	2009	111.02%	96.03%	147.37%	96.06%	24.89%	62.18%
	2008	23.52%	371.32%	55.11%	56.21%	18.30%	26.08%
Net OPEB Obligation (Funding Excess) – End of Year	2009	\$ 2,745	\$ (67)	\$ (4)	\$ 80	\$ 1,432	\$ 4,186
	2008	\$ 2,785	\$ (71)	\$ 35	\$ 73	\$ 734	\$ 3,556

Funded Status and Funding Progress – Required Supplementary Information - The following table illustrates the funded status and the funding progress for the University as of June 30:

Funding Status and Funding Progress - Required Supplementary Information: (Dollars in Thousands)							
		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratios (1) : (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (3) : (5)
Retiree Healthcare Plan	7/1/2006	\$0	\$38,594	\$38,594	0.0%	\$122,474	31.5
	7/1/2008	\$0	\$2,656	\$2,656	0.0%	\$130,760	2.0
Long-Term Disability Plan:							
Income	7/1/2006	\$0	\$697	\$697	0.0%	\$122,474	0.6
	7/1/2008	\$0	\$715	\$715	0.0%	\$130,760	0.5
Life Insurance	7/1/2006	\$0	\$1,160	\$1,160	0.0%	\$122,474	0.9
	7/1/2008	\$0	\$1,026	\$1,026	0.0%	\$130,760	0.8
Healthcare	7/1/2006	\$0	\$1,093	\$1,093	0.0%	\$122,474	0.9
	7/1/2008	\$0	\$1,227	\$1,227	0.0%	\$130,760	0.9
Retiree Life Insurance Plan	7/1/2006	\$0	\$10,060	\$10,060	0.0%	\$122,474	8.2
	7/1/2008	\$0	\$10,895	\$10,895	0.0%	\$130,760	8.3


 MISSISSAUGA STATE UNIVERSITY

Actuarial Methods and Assumptions –

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members. Any variations in future experience from that

expected from these assumptions will result in corresponding changes in the estimated costs of the benefits. The projection of benefits for financial reporting purposes does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The following table presents significant methods and assumptions for all plans:

Actuarial Cost Method	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan
	Projected Unit Credit	Income Projected Unit Credit	Life Insurance Projected Unit Credit	Healthcare Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll	Level Dollar Amount	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	11 years Closed	8 years Closed	30 years Open	30 years Open	30 years Open
Assumptions:					
Inflation Rate	3.00%	3.00%	3.00%	3.00%	3.00%
Investment Return	4.50%	5.25%	5.25%	4.50%	4.50%
OPEB Increases	N/A	N/A	N/A	N/A	3.75%
Projected Salary Increases	3.75%	3.75%	3.75%	3.75%	3.75%
Healthcare Cost Initial Trend Rate	13.60%	N/A	N/A	13.60%	N/A
Healthcare Cost Ultimate Trend Rate	5.00%	N/A	N/A	5.00%	N/A

BOISE STATE UNIVERSITY

12. RISK MANAGEMENT

The University obtains workers' compensation coverage from the Idaho State Insurance Fund. The University's workers' compensation premiums are based on its payroll, its own experience, as well as that of the State of Idaho as a whole.

The University carries commercial insurance for other risks of loss, including but not limited to employee bond and crime, out of state workers' compensation, business interruption, media liability and automobile physical damage insurance.



BOISE STATE UNIVERSITY

13. COMPONENT UNITS

Boise State University Foundation, Inc. – The net assets of the Foundation represent 77% of the combined component unit at June 30, 2008 and 100% of the combined component unit as of June 30, 2009, as presented in the

financial statements and, as such, the Foundation has been determined by management to be a major component unit as defined by GASB Statement No. 39.

Condensed financial statement data is as follows:

BOISE STATE UNIVERSITY FOUNDATION, INC.			
CONDENSED STATEMENTS OF FINANCIAL POSITION			
JUNE 30, 2009 AND JUNE 30, 2008			
	2009	2008	
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 3,611,765	\$ 1,740,682	
Pledges receivable	7,130,589	7,898,655	
Other current assets	1,099,340	427,244	
Total current assets	11,841,694	10,066,581	
NON-CURRENT ASSETS:			
Restricted cash and cash equivalents	3,939,025	9,725,906	
Investments	76,709,978	87,367,744	
Capital assets	10,157,836	228,020	
Investment in lease	2,578,142	2,880,499	
Accounts receivable and other	21,712,749	13,131,596	
Total non-current assets	115,097,730	113,333,765	
TOTAL ASSETS	\$ 126,939,424	\$ 123,400,346	
LIABILITIES			
CURRENT LIABILITIES:			
	\$ 4,390,646	\$ 656,342	
NON-CURRENT LIABILITIES:			
Bonds and certificates payable	7,878,000	3,095,000	
Amounts held in custody for others	1,338,946	19,829,240	
Other	2,027,861	1,626,601	
Total non-current liabilities	11,244,807	24,550,841	
TOTAL LIABILITIES	15,635,453	25,207,183	
NET ASSETS:			
Permanently restricted	58,845,927	45,816,765	
Temporarily restricted	49,564,601	44,633,403	
Unrestricted	2,893,443	7,742,995	
Total net assets	111,303,971	98,193,163	
TOTAL LIABILITIES AND NET ASSETS	\$ 126,939,424	\$ 123,400,346	

BOISE STATE UNIVERSITY

BOISE STATE UNIVERSITY FOUNDATION, INC.				
CONDENSED STATEMENTS OF ACTIVITIES				
FISCAL YEARS ENDED JUNE 30, 2009 AND JUNE 30, 2008				
	<u>2009</u>		<u>2008</u>	
OPERATING REVENUES:				
Gifts	\$	11,539,801	\$	22,071,412
Donation from the BAA		29,188,152		-
Investment income		2,695,636		2,719,292
Change in fair value of investments		(20,644,007)		(2,646,810)
Other income		7,396,521		1,703,410
Total operating revenues		<u>30,176,103</u>		<u>23,847,304</u>
OPERATING EXPENSES		<u>18,336,782</u>		<u>8,851,259</u>
OPERATING INCOME (LOSS)		<u>11,839,321</u>		<u>14,996,045</u>
NON-OPERATING REVENUES (EXPENSES):				
Gain on sale of property		1,428,507		443,730
Other		(157,020)		(97,151)
Net non-operating revenues		<u>1,271,487</u>		<u>346,579</u>
INCREASE IN NET ASSETS		13,110,808		15,342,624
NET ASSETS—Beginning of year		98,193,163		82,850,539
NET ASSETS—End of year	\$	<u>111,303,971</u>	\$	<u>98,193,163</u>

(a) Foundation Operations

The Foundation was established to engage in activities to benefit and support the University, including receiving contributions and holding, protecting, managing, and investing donated funds. The Foundation is a non-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Directors. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of and cannot be controlled by the University. A memorandum of understanding between the Foundation and the University defines the relationship between the two entities in accordance with these rules.

Change in Accounting Standards and Corrections of an Error

In prior years the Foundation followed the financial reporting standards set by the Governmental Accounting Standards Board (GASB). As a result of recent requirements established by the Idaho State Board of Education requiring the Foundation to operate more autonomously, the Foundation reevaluated its reporting policy. It was determined that under Generally Accepted Accounting Principles it was more appropriate for the Foundation to report in accordance with standards set by the Financial Accounting Standards Board (FASB). FASB standards require three classes of net assets: unrestricted,

temporarily restricted, and permanently restricted instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing permanently restricted pledges, the method of accounting for split interest gifts, and the presentation of the financial information.

During the year, management discovered that in 2008 the conditional portions of two pledges totaling \$5.6 million were recorded at the time the pledge was made. Revenue on conditional pledges is to be recorded when the conditions are met. In these cases, the condition is met when matching funds are promised or given to the Foundation, which was not met in 2008. Therefore, the 2008 financial statements have been restated to reflect the correction of the error. The impact of these changes has resulted in a restatement of beginning net assets for

the beginning of the fiscal year starting July 1, 2007 and the related changes to the statement of financial position and statement of activities as of and for year ended June 30, 2008.

Additional detail related to these changes is included in the Foundation's audited financial statements.

The Foundation has historically been the investment agent for funds raised and held by the Bronco Athletic Association ("BAA"). Included in amounts held in custody for others on behalf of the Association are \$17,860,893 at June 30, 2008. During 2009, the BAA donated its financial assets to the Foundation. For 2009 and thereafter, all BAA gifts will be recorded as gifts to the Foundation and recorded in funds designated to Athletics.

(b) Cash and Cash Equivalents, and Other Deposits and Investments

The Foundation considers all cash on deposit in demand savings and time deposits with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered investments and are shown as restricted cash and cash equivalents as the funds have been designated by the Foundation for investment purposes. Cash deposits at times during the year ended June 30, 2009 and 2008 exceeded FDIC insured limits.

Investments are recorded in accordance with Statement of Financial Accounting Standards (SFAS) No. 124, *"Accounting for Certain investments Held by Not-for-Profit Organizations."* Investments in equity and debt securities that have

readily determinable fair values are recorded at quoted market prices. Investment securities without quoted market prices are valued at estimated fair value using appropriate valuation methods that consider the underlying assets and financial reports.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

BOISE STATE UNIVERSITY



Custodial Credit Risk –Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk

for *investments* is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Basis of Custodial Credit Risk as of June 30	2009	2008
Uninsured and uncollateralized	\$ 5,808,971	\$ 2,620,384

BOISE STATE UNIVERSITY

Credit Risk – The risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in

terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard and Poor's, and Fitch's.

Moody's Scale Rating	US Treasury Bonds	Corporate Bonds	Bond Mutual Funds	Fair Value
Aaa	\$ 3,523,222	\$ 1,062,298	\$ 4,327,061	\$ 8,912,581
Aa1	-	1,094,907	-	1,094,907
Aa2	-	3,201,741	6,455,432	9,657,173
Aa3	-	996,359	-	996,359
A1	-	4,134,827	82,175	4,217,002
A2	-	208,121	-	208,121
Baa1	-	2,190,109	-	2,190,109
Baa2	-	508,350	-	508,350
Unrated	-	-	15,945	15,945
Total	\$ 3,523,222	\$ 13,396,712	\$ 10,880,613	\$ 27,800,547

Interest Rate Risk – Investments in debt securities that are fixed for a longer period of time are likely to experience greater variability in their fair values due to future changes in interest rates. Maturities by investment type, as of June 30, 2009, are as follows:

Investment Type	Fair Value	< 1 yr	1-3 yr	3-10 yr	>10 yr
Rated Securities:					
US Treasury Bonds	\$ 3,523,222	\$ 1,008,557	\$ -	\$ 2,002,515	\$ 512,150
Corporate Bonds	13,396,712	9,075,140	499,565	3,822,007	-
Bond Mutual Funds	10,880,613	4,878	93,815	10,781,920	-
Total Rated Securities	\$ 27,800,547	\$ 10,088,575	\$ 593,380	\$ 16,606,442	\$ 512,150

(c) Pledges Receivable

Unconditional promises to give (pledges) are recognized as an asset and contribution revenue in the period in which the promise is received less an allowance, if any, for uncollectible pledges based on past collection experience. Pledges to be received after one year are discounted to present value.

Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Pledges receivable in current assets include pledges which are due within one year.



Pledges receivable consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Receivable in less than one year	\$ 7,130,589	\$ 7,898,655
Receivable in one to five years	19,804,837	8,813,584
Receivable in more than five years	2,300,603	1,481,250
	<u>29,236,029</u>	<u>18,193,489</u>
Less allowance	\$ (890,000)	\$ (340,000)
Less discount	<u>(3,054,692)</u>	<u>(1,183,259)</u>
Total	<u>\$ 25,291,337</u>	<u>\$ 16,670,230</u>

(d) Donated Services

The University provided staffing and other general office support to the Foundation totaling \$1,257,477 and \$1,094,563 in fiscal years ending June 30, 2009 and 2008, respectively. Additionally, volunteers make substantial contributions of time to

support the Foundation for which no value is assigned. The value of volunteer services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation.

BOISE STATE UNIVERSITY

Other Component Unit –

Net assets of the Association at June 30, were as follows:

Bronco Athletic Association		
	2009	2008
Net assets:		
Restricted - non-expendable	\$ 1,443,710	\$ 11,824,920
Restricted - expendable	-	17,313,713
Unrestricted	500	116,199
Total net assets	\$ 1,444,210	\$ 29,254,832



BOISE STATE UNIVERSITY

14. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATIONS (DOLLARS IN THOUSANDS):

Functional Categories	2009				
	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 82,720	\$ 11,280	\$ 2,229	\$ -	\$ 96,229
Research	7,555	2,786	314	-	10,654
Public service	7,415	4,400	547	-	12,362
Libraries	3,745	1,605	-	-	5,350
Student services	8,792	1,995	43	-	10,830
Plant operations	6,192	8,327	-	-	14,519
Institutional support	15,497	4,652	9	-	20,158
Academic support	13,011	4,150	82	-	17,243
Auxiliary enterprises	23,872	29,614	3,348	-	56,834
Scholarships	1,217	472	6,573	-	8,262
Depreciation	-	-	-	17,217	17,217
Total operating expenses	\$ 170,016	\$ 69,280	\$ 13,145	\$ 17,217	\$ 269,658

Functional Categories	2008				
	Personnel Cost	Services, Supplies and Other	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 77,955	\$ 9,871	\$ 833	\$ -	\$ 88,659
Research	9,922	4,121	318	-	14,361
Public service	7,320	5,375	189	-	12,884
Libraries	3,695	1,445	-	-	5,140
Student services	6,903	1,539	47	-	8,489
Plant operations	5,993	8,935	-	-	14,928
Institutional support	13,600	5,867	57	-	19,524
Academic support	12,084	3,283	53	-	15,420
Auxiliary enterprises	23,919	29,064	3,080	-	56,063
Scholarships	1,209	146	5,700	-	7,055
Depreciation	-	-	-	15,208	15,208
Total operating expenses	\$ 162,600	\$ 69,646	\$ 10,277	\$ 15,208	\$ 257,731

BOISE STATE UNIVERSITY

15. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of the Federal Government. University officials are of the opinion that the effect of these refunds, if any,

will not have a significant affect on the financial position of the University.

The University is a defendant in litigation arising from the normal course of operations. Based on present knowledge, the University's management believes any ultimate liability in these matters will not materially effect the financial position of the University.

16. SUBSEQUENT EVENTS

Subsequent to June 30, 2009, Idaho's Governor announced a tiered \$99 million reduction in state general fund spending in response to lower state revenue forecasts. The college and university reduction is 6% of general fund appropriations. The University's

2010 general fund appropriation totals \$78,352,400. The impact of the holdback is approximately \$4.7 million. The University had set aside \$5 million in reserves for this purpose and will not incur layoffs or furloughs as a result of this holdback.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

Idaho State Board of Education
Boise State University
Boise, Idaho

We have audited the financial statements of Boise State University (University) and its discretely presented component units as of and for the year ended June 30, 2009, which collectively comprise the University's basic financial statements, and have issued our report thereon dated September 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented component units as described in our report on the University's financial statements. This report does not include the results of other auditors' testing of internal control over financial report or compliance and other matters that are reported on separately by other auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in normal course of performing their assigned functions, to prevent or detect misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the University's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the University's financial statements that is more than inconsequential will not be prevented or detected by the University's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the University's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph on this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Idaho State Board of Education, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Eugene, Oregon
September 30, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Idaho State Board of Education
Boise State University
Boise, Idaho

COMPLIANCE

We have audited the compliance of Boise State University (University) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009, except as described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We did not audit the University's compliance with the requirements governing Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us and our opinion expressed, herein, insofar as it relates to the University's compliance with those requirements, is based solely on the report of other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-01.

INTERNAL CONTROL OVER COMPLIANCE

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

We did not consider internal control over compliance with the Student Loan Billing and Due Diligence in Collection compliance requirements specified by the Federal Perkins Loan Program and described in the *OMB Circular A-133 Compliance Supplement*. Internal control over this compliance requirement was considered by the other auditor referred to above; and our report, insofar as it relates to the University's internal control over this compliance requirement, is based solely upon the report of the other auditors.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the University's internal control that might be significant deficiencies or material weaknesses as defined below. However, as described below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule for findings and questioned costs as item 2009-1 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The University's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's responses and, accordingly, we express no opinion on them.

MOSS ADAMS LLP

CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

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This report is intended solely for the information and use of the Idaho State Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Eugene, Oregon
September 30, 2009

**BOISE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies(s) identified that are not considered to be material weaknesses? _____ yes X no

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies (s) identified that are not considered to be material weaknesses? X yes _____ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Student Financial Assistance Cluster:	
84.007	Federal Supplemental Educational Opportunity Grants
84.268	Federal Direct Loans
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program
84.063	Federal Pell Grant Program
84.375	Academic Competitiveness Grant
84.376	SMART Grant Science & Math
TRIO	
84.042	Student Support Services
84.044	Talent Search
84.047	Upward Bound
84.217	McNair Post-Baccalaureate Achievement

Dollar threshold used to distinguish between type A and type B programs: \$ 1,236,941

Auditee qualified as low-risk auditee? X yes _____ no

**BOISE STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Continued)
FOR THE YEAR ENDED JUNE 30, 2008**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

FINDING 2009-01—Procurement: Suspension and Debarment Certifications

Federal Program: TRIO Cluster

Federal Agency: Department of Education

Criteria –OMB Circular A-110, Section 13, outlines requirements for recipients of federal financial assistance regarding compliance with the debarment and suspension common rule implementing Executive Orders (E. O. 12549 and 12689). This common rule restricts subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. For covered transactions occurring after November 26, 2003, the recipient must verify that the subrecipient or vendor entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity. Covered transactions include procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Condition: There were two covered transactions exceeding \$25,000 for which verification of suspension and debarment status did not occur.

Questioned Costs – None. During the audit, the Excluded Parties List System (EPLS) was checked for the specific entities noting they were excluded from the list.

Context – The University does not have procurement policies / procedures in place that specifically address the issue of suspension and debarment.

Effect – The absence of procedures to require suspension and debarment verifications for all categories of covered transactions permits the possibility for suspended or debarred parties to inappropriately receive federal funds.

Cause – The absence of procedures to require suspension and debarment verifications for all categories of covered transactions appeared to be a lack of awareness of the regulations.

Recommendation – Moss Adams recommends the purchasing office, develop and implement policies to ensure suspension and debarment verifications are performed for all categories of covered transactions. In addition to the development of policies, we further recommend management establish a monitoring or oversight mechanism to ensure compliance.

Management Response - The University concurs with the recommendations. The University currently reviews debarment status for all new vendors and is developing policies to monitor vendor status on an ongoing basis.

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
Direct Programs				
USDA Utilizing GPR & Solute	10.206	\$ 5,350	\$ -	\$ 5,350
USDA Burrowing Owls	10.206	26,385	-	26,385
Populations of Invasive Plants	10.206	6,869	-	6,869
ESPRJ	10.664	-	(4)	(4)
Outreach to Rural Communities	10.769	-	13,811	13,811
Lomatium Dormancy	10.XXX	3,978	-	3,978
Dormancy in Lomatium Dissect	10.XXX	1,887	-	1,887
Grape Leaf Hormone Analyses	10.XXX	1,416	-	1,416
Danskin Rockshelter Arch Coll	10.XXX	-	10,206	10,206
Production Systems of NW Grape	10.XXX	4,093	-	4,093
USDA-FS Joint Agreement	10.XXX	-	3,258	3,258
Pass Through Payments:				
Child and Adult Care Food Program (Children's Center)	10.558	-	46,881	46,881
Yellowstone Business Partnership	10.773	-	9,959	9,959
Total U.S. Department of Agriculture		<u>\$ 49,978</u>	<u>\$ 84,111</u>	<u>\$ 134,089</u>
U.S. DEPARTMENT OF COMMERCE:				
Direct Programs:				
EDA University Center FY '08	11.303	\$ -	\$ 10,492	\$ 10,492
EDA University Center FY '09	11.303	-	167,127	167,127
Spacio Variability of Snow	11.462	72,160	-	72,160
NIST General FY '08	11.611	-	79,124	79,124
NIST General FY '09	11.611	-	513,448	513,448
NIST General FY '10	11.611	-	213	213
Total U.S. Department of Commerce		<u>\$ 72,160</u>	<u>\$ 770,404</u>	<u>\$ 842,564</u>

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF DEFENSE:				
Direct Programs:				
DNA Safeguard 2 - Hampikian	12.420	\$ 252,675	\$ -	\$ 252,675
DNA Safeguard 2 - Andersen	12.420	67,440	-	67,440
DNA Safeguard 2 - McDougal	12.420	50,559	-	50,559
DNA Safeguard 2 - Wingett	12.420	23,454	-	23,454
DNA Safeguard 2 - Alileche	12.420	34,231	-	34,231
DNA Safeguard 2 - Jain	12.420	8,671	-	8,671
DEPSCOR '08	12.431	119,465	-	119,465
Semicon - Based Nanotechnology	12.431	23,748	-	23,748
Effects of Comp. Question Type	12.630	164,369	-	164,369
DEPSCoR FY '08	12.630	104,694	-	104,694
DEPSCoR Micro-Propulsion	12.800	2,448	-	2,448
Memory Technology Symposium '09	12.800	-	5,000	5,000
DARPA FY 2005	12.910	391,945	-	391,945
DARPA 3-D Tech for Adv. Sensor	12.910	839,190	-	839,190
Reconfigurable Electronics	12.910	435,117	-	435,117
Reconfigurable Electronics	12.910	116,677	-	116,677
DNA Safeguard Project	12.XXX	219,686	-	219,686
DNA Safeguard Project	12.XXX	29,441	-	29,441
DNA Safeguard Project	12.XXX	(458)	-	(458)
ARI Project FY '08	12.XXX	5,911	-	5,911
Pass Through Payments:				
DoD General FY '04	12.002	-	74,420	74,420
Integrated Passive Electronic Components	12.800	3,016	-	3,016
Genetic & Chemical Modification of Phosphotriestrase	12.XXX	20,789	-	20,789
NMR Characterization of Chemical Composition	12.XXX	16,053	-	16,053
Coastal Engineering & Human Disturbance	12.XXX	74,420	-	74,420
Ultra-Low Power Radiation	12.XXX	4,167	-	4,167
Micro Vacuum Backward Wave	12.XXX	54,884	-	54,884
Processor for Open Source	12.XXX	41,650	-	41,650
High Power VCSEL Diode Arrays	12.XXX	1,614	-	1,614
PIP/PTAC Program	12.XXX	-	28,410	28,410
Dugway Proving Grounds Site	12.XXX	-	2,307	2,307
Total U.S. Department of Defense		\$ 3,105,856	\$ 110,137	\$ 3,215,993

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:				
Direct Programs:				
HUD/Environmental Science Building FY '04	14.246	\$ -	\$ 58,191	\$ 58,191
HUD/Environmental Science Building FY '05	14.246	-	892,800	892,800
Total U.S. Department of Housing & Urban Development		\$ -	\$ 950,991	\$ 950,991
U.S. DEPARTMENT OF THE INTERIOR:				
Direct Programs:				
Bromus Tectorum Establishment	15.000	\$ 13,062	\$ -	\$ 13,062
Breeding Bird/Burrowing Owl	15.231	34,453	-	34,453
Fire & Erosion in Western Range	15.231	43,380	-	43,380
Fire & Erosion W Range Benner	15.231	5,959	-	5,959
Monitoring Migrants Camas NWR	15.635	(1,327)	-	(1,327)
Monitoring Songbirds in Idaho	15.635	666	-	666
Seismic Reflection Imaging	15.807	(71)	-	(71)
Seismic Imaging Seattle Fault	15.807	67,277	-	67,277
SRFS Facilities Operating Acct	15.808	-	70,644	70,644
Raptor Information System	15.808	3,168	-	3,168
Barred Owl Food Habits	15.808	24,114	-	24,114
Monitoring Land Treatments	15.808	51,458	-	51,458
NCA Monitor Workshop & Report	15.808	-	2,402	2,402
Support Analysis Raptor Research	15.808	4,679	-	4,679
Native Landscape Gardens	15.DAM	3,717	-	3,717
Translocation SIGS	15.XXX	878	-	878
SFRWO Songbird Migration	15.XXX	(38)	-	(38)
Effect Development on Cascade Bald Eagle	15.XXX	5,176	-	5,176
FWS Development on Cascade Bald Eagle	15.XXX	12,061	-	12,061
Bumpheads Archaeological Survey	15.XXX	-	1,990	1,990
Antelope Creek Survey	15.XXX	-	1,460	1,460
Pass Through Payments:				
IBO/IDFG Bird Greatest Conservation	15.634	44,357	-	44,357
IWRRI 2	15.805	3,300	-	3,300
Water Balance Modeling	15.805	298	-	298
GPR Workshop	15.XXX	3,034	-	3,034
Total U.S. Department of the Interior		\$ 319,601	\$ 76,496	\$ 396,097

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF JUSTICE:				
Pass Through Payments:				
RADAR Video Library 3	16.727	\$ -	\$ (234)	\$ (234)
RADAR Video Library 4	16.727	-	4,753	4,753
RADAR Video Library FY '09	16.727	-	18,041	18,041
RADAR Video Library	16.727	-	2,185	2,185
End Violence Against Women with Disabilities	16.XXX	-	10,314	10,314
Nampa Family Justice	16.XXX	1,941	-	1,941
Total U.S. Department of Justice		\$ 1,941	\$ 35,059	\$ 37,000
U.S. DEPARTMENT OF LABOR:				
Direct Programs:				
OSHA Consultation Program	17.504	\$ -	\$ 130,287	\$ 130,287
OSHA Consultation Program	17.504	-	302,697	302,697
Pass Through Payments:				
DOL Lean Manufacturing for Food	17.261	-	19,061	19,061
LECP FY 2007	17.XXX	-	(44,562)	(44,562)
Total U.S. Department of Labor		\$ -	\$ 407,483	\$ 407,483
U.S. DEPARTMENT OF STATE:				
Pass Through Payments:				
Paving Way to Global Village	19.XXX	\$ -	\$ 146	\$ 146
Total U.S. Department of State		\$ -	\$ 146	\$ 146
U.S. DEPARTMENT OF TRANSPORTATION:				
Direct Programs:				
FAA Noise and Emissions Study	20.109	\$ (2,613)	\$ -	\$ (2,613)
FAA Center Airliner Cabin Environment	20.109	575	-	575
FAA Airliner Cabin Environment 2	20.109	11,833	-	11,833
Avionics Decontamination	20.109	48,744	-	48,744
Inflight Sensor System Development & Deployment	20.109	22,520	-	22,520
Chemical Sensors for Airliner Cabin	20.109	8,800	-	8,800
TC Construction ID '04	20.500	-	17,600	17,600
Pass Through Payments:				
Evaluation of Concrete Sealer	20.205	34,317	-	34,317
Total U.S. Department of Transportation		\$ 124,176	\$ 17,600	\$ 141,776

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. OFFICE OF PERSONNEL MANAGEMENT:				
Direct Programs:				
IPA Agreement - Eric McIndoo	27.011	\$ 49,760	\$ -	\$ 49,760
IPA Agreement - Cliff Bayer	27.011	43,857	-	43,857
IPA Agreement - Dr. Zhi Li	27.011	36,454	-	36,454
Total U.S. Office of Personnel Management		<u>\$ 130,071</u>	<u>\$ -</u>	<u>\$ 130,071</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:				
Direct Programs:				
Spacial & Temporal Variations	43.XXX	\$ 91,983	\$ -	\$ 91,983
Pass Through Payments:				
ISGC Fellowship - Oblea Campbell	43.000	15,110	-	15,110
NASA Fellowship - Steele	43.001	1,431	-	1,431
NASA ISGC - Frary	43.XXX	(149)	-	(149)
NASA ISGC Fellowship - Bonfrisco	43.XXX	(3,369)	-	(3,369)
NASA EPSCoR Reliability Investigation	43.XXX	188,658	-	188,658
Elec. Propulsion-Cer. Material	43.XXX	15,000	-	15,000
ISGC Fellowship - Smith 2008-2009	43.XXX	18,119	-	18,119
NASA EPSCoR - Senocak	43.XXX	24,330	-	24,330
NASA EPSCoR 2008-2009	43.XXX	23,159	-	23,159
ISGC Fellowship - Munoz 2008-2009	43.XXX	18,123	-	18,123
Magnetic Phase Sintering	43.XXX	12,951	-	12,951
ISGC NASA K-12 FY '08 - Callahan	43.XXX	-	9,335	9,335
Topology Control for Networking	43.XXX	1,191	-	1,191
NASA Micro-Gravity Project	43.XXX	13,637	-	13,637
Total National Aeronautics and Space Administration		<u>\$ 420,174</u>	<u>\$ 9,335</u>	<u>\$ 429,509</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:				
Direct Programs:				
Boise Chamber Music Series FY '08	45.024	\$ -	\$ 7,500	\$ 7,500
Pass Through Payments:				
Routine Stops	45.129	-	3,500	3,500
Hemingway Letters Project	45.129	3,500	-	3,500
IAL WorldCat Local Project	45.310	-	40,275	40,275
Visiting Artist/Scholar FY '09	45.XXX	-	2,746	2,746
Total National Foundation on the Arts and the Humanities		<u>\$ 3,500</u>	<u>\$ 54,021</u>	<u>\$ 57,521</u>

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
NATIONAL SCIENCE FOUNDATION:				
Direct Programs:				
NSF MRI Xray Diffraction Syste	47.041	\$ 347,140	\$ -	\$ 347,140
Collaborative Research Planning-2	47.041	229	-	229
Boise Extravaganza Set Theory	47.049	6,191	-	6,191
Europe Materials Collaboration	47.049	(2,571)	-	(2,571)
CAREER : RUI : Ferromagnetic	47.049	80,078	-	80,078
Europe Materials Collaboration	47.049	(15)	-	(15)
MRI: Acquisition of a TEM	47.049	5,390	-	5,390
Quantum and Biophysics	47.049	39,753	-	39,753
CAREER : M Frary NSF	47.049	68,744	-	68,744
CRIF : MU/RUI Equipment	47.049	12,496	-	12,496
NSF MRI : Acquisition of XPS	47.049	280,821	-	280,821
NSF Lattice Dynamics	47.049	38,229	-	38,229
Filtrations of Boolean Algebra	47.049	20,381	-	20,381
Enabling Magnetoplasticity	47.049	63,329	-	63,329
CAREER : M Frary NSF 2	47.049	12,500	-	12,500
NSF-Web Tools for Time Scale	47.050	14,690	-	14,690
Paleozoic Deformation Research	47.050	(59)	-	(59)
NSF Collaborative Research	47.050	140,139	-	140,139
NSF Collaborative Quantification	47.050	30,056	-	30,056
NSF Climate Controls on Alluvial Fans	47.050	44,264	-	44,264
NSF Timing, Condition, Rates of Thrust	47.050	15,859	-	15,859
Freedom from Coordinate System	47.050	26,107	-	26,107
Unroofing Central Menderes Metamorphic Complex	47.050	9,352	-	9,352
Carboniferous Permian Paleoclimate	47.050	229,006	-	229,006
Atmospheric Dust as Archive	47.050	23,805	-	23,805
Collaborative Research : S. American Grassland	47.050	14,015	-	14,015
Collaborative Research : Testing Mech Mod	47.050	86,142	-	86,142
Collaborative Research : Tectonic Rates	47.050	10,197	-	10,197
NSF Career Degradation	47.070	(3,228)	-	(3,228)
NSF Cybertrust: eVoting	47.070	3,229	-	3,229
CRI Secure Wireless Networking	47.070	32,646	-	32,646
NSF Research Instrumentation	47.074	18,078	-	18,078
Chronic Stress in Ecosystems	47.074	33,547	-	33,547
PharmEcology Symposium	47.074	-	24,800	24,800
MRI : Acquisition of FACS	47.074	441,955	-	441,955
IDBR : RUI : Development of COIFM	47.074	62	-	62
NSF Scholarships	47.076	-	32,366	32,366
Award-Excellence in Mentoring	47.076	-	4,774	4,774
Noyce Grant	47.076	-	238,773	238,773
NSF Idaho Engineering Scholarship Program	47.076	-	126,939	126,939
Acquisition of GC/MS & FT-IR	47.076	114,174	-	114,174

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
NATIONAL SCIENCE FOUNDATION (continued):				
Direct Programs (continued):				
New GK-12 Local Resources	47.076	\$ -	\$ 104,483	\$ 104,483
New GK-12 Participants	47.076	-	149,001	149,001
S-Stem #2 ID Engineering Scholarship	47.076	-	122,825	122,825
NSF-Water Storage & Routing	47.078	64,585	-	64,585
Home Hearth Household	47.078	77,482	-	77,482
Egypt Collaboration	47.079	6,391	-	6,391
Pass Through Payments:				
EPSCoR RII Program - Callahan	47.041	42,731	-	42,731
EPSCoR RII Program - Sridhar	47.041	137,292	-	137,292
EPSCoR RII Program - Medidi	47.041	20,236	-	20,236
EPSCoR RII Program - Farid	47.041	13,840	-	13,840
EPSCoR RII Program - Plumlee	47.041	11,179	-	11,179
Formation Function Phys Gels	47.049	8,609	-	8,609
NSF-ID-TIMS	47.050	6,067	-	6,067
Chronos System: Geoinformatics	47.050	426	-	426
SedDB Supplement PaleoStrat	47.050	2,696	-	2,696
Site Survey for IODP 626	47.050	17,730	-	17,730
EPSCoR RII Program - Pierce	47.050	39,365	-	39,365
DNA Origami Placement	47.070	12,910	-	12,910
EPSCoR RII Program - Feris	47.074	27,086	-	27,086
EPSCoR RII Program - Feris	47.074	49,068	-	49,068
EPSCoR RII Program - Mooney	47.075	24,829	-	24,829
Imprv Comm in Cross - Disc Coll	47.075	12,316	-	12,316
Hydrologic Processes EPSCoR	47.076	(748)	-	(748)
NSF Idaho EPSCoR - Punnoose	47.076	10,592	-	10,592
NSF Idaho EPSCoR - McNamara	47.076	(91)	-	(91)
NSF Idaho EPSCoR - Mead	47.076	(187)	-	(187)
NSF EPSCoR Instrument - Tenne	47.XXX	(1)	-	(1)
NSF EPSCoR Instrument - Cornell	47.XXX	35	-	35
NSF EPSCoR Start-Up Funds	47.XXX	244	-	244
600MHZ NMR Spectrometer System	47.XXX	14,984	-	14,984
EPSCoR-Start Up Funds Sridhar	47.XXX	(10)	-	(10)
EPSCoR-Instrumentation for Engineering	47.XXX	8,950	-	8,950
Multi-Functional Oil Quality S	47.XXX	(2,175)	-	(2,175)
EPSCoR- Additional Funding	47.XXX	(3,587)	-	(3,587)
Summer 2008 IRIS Internship	47.XXX	1,972	-	1,972
Total National Science Foundation		\$ 2,861,547	\$ 803,961	\$ 3,665,508

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
SMALL BUSINESS ADMINISTRATION:				
Direct Programs:				
SBA CY '08	59.037	\$ -	\$ 313,855	\$ 313,855
SBA CY '09	59.037	-	250,377	250,377
Sustainability Initiative	59.037	-	31,377	31,377
Total Small Business Administration		<u>\$ -</u>	<u>\$ 595,609</u>	<u>\$ 595,609</u>
ENVIRONMENTAL PROTECTION AGENCY:				
Direct Programs:				
Satellite EFC	66.111	\$ -	\$ 165,906	\$ 165,906
EPA Dashboard Grant	66.463	-	(1,768)	(1,768)
Wastewater Training FY '08	66.467	-	9,033	9,033
Hydrogeophysical Characterization	66.606	258,545	-	258,545
EPA Multi-Purpose Sensors	66.606	30,479	-	30,479
EPA Multi-Purpose Sensors	66.606	136,944	-	136,944
EPA Multi-Purpose Sensors	66.606	922	-	922
EPA Multi-Purpose Sensors	66.606	(4,404)	-	(4,404)
EPA Multi-Purpose Sensors	66.606	(482)	-	(482)
EPA Multi Purpose Sensors	66.606	4,671	-	4,671
6167 EPA Supplemental Funding	66.606	31,725	-	31,725
6167 EPA Supplemental Funding	66.606	(246)	-	(246)
6167 EPA Supplemental Funding	66.606	940	-	940
EPA Multi-Purpose Sensors	66.606	15,000	-	15,000
EFC 10 Base Grant FY '07	66.607	-	256,406	256,406
EPA Plan2Fund Funder's Tool	66.XXX	-	4,262	4,262
Pass Through Payments:				
Source & Release - CFDA 66419	66.419	10,618	-	10,618
Source & Release - CFDA 66468	66.468	6,708	-	6,708
Alaska Capacity Review FY '09	66.468	-	1,831	1,831
Emission Reduction Analysis	66.XXX	8,620	-	8,620
Total Environmental Protection Agency		<u>\$ 500,040</u>	<u>\$ 435,670</u>	<u>\$ 935,710</u>
NUCLEAR REGULATORY COMMISSION				
Direct Programs				
U.S. NRC Fellowship Program	77.008	\$ -	\$ 49,399	\$ 49,399
Total Nuclear Regulatory Commission		<u>\$ -</u>	<u>\$ 49,399</u>	<u>\$ 49,399</u>

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF ENERGY				
Direct Programs				
Bioreductive Transformations	81.049	\$ 10,314	\$ -	\$ 10,314
Inverse Magnetoplastic Effect	81.049	124,799	-	124,799
DOE Wind Energy	81.087	70,915	-	70,915
DOE Grant	81.121	8,360	-	8,360
ACE Workshop	81.XXX	9,196	-	9,196
Pass Through Payments:				
INRA-Water Research Consortium	81.049	14,758	-	14,758
Time-lapse Georadar Monitoring	81.049	5,059	-	5,059
Cyberinfrastructure Hydro Site	81.049	39,435	-	39,435
Component Technologies R&D	81.087	26,205	-	26,205
INRA SFPO Site Facilities	81.104	-	4,389	4,389
SSGP Website Maintenance Service	81.104	-	233	233
INRA SSGP Fellowship Support 4	81.104	-	74,575	74,575
INRA SSGP Fellowship Support 5	81.104	-	27,371	27,371
UNLV Heat Exchange Material	81.121	51,594	-	51,594
INL Influence Grain Boundary	81.XXX	(1,953)	-	(1,953)
EPI Interim Associate Director FY '07	81.XXX	57,901	-	57,901
FY '06 IUC/EPI Proposal	81.XXX	19,511	-	19,511
CAES Consortium	81.XXX	96,745	-	96,745
Drought, Fire, Snowmelt Central ID	81.XXX	11,269	-	11,269
Bioprocess Agricultural Waste Water	81.XXX	10,891	-	10,891
Carbon Sequestration in Mafic Rocks	81.XXX	18,953	-	18,953
Suitability of Layered Basalt	81.XXX	22,058	-	22,058
INL Plasma Sintering	81.XXX	32,648	-	32,648
Societal Nuclear Research LDRD	81.XXX	24,237	-	24,237
Novel Nanostructured Materials	81.XXX	88,308	-	88,308
Novel Nanostructured Materials	81.XXX	20,716	-	20,716
INRA SSRI Course Development 2007-2008	81.XXX	-	1,007	1,007
INRA Geophysics Workshop 2007-2008	81.XXX	-	315	315
SSGP Course Evaluation 2007-2008	81.XXX	-	15	15
INRA SSGP Fellowship Support 6	81.XXX	-	37,896	37,896
INRA SSRI Dean Year 6 2007-2008	81.XXX	-	5,023	5,023
Design & Synthesis Novel Chelators	81.XXX	37,652	-	37,652
Detector for Pertechnetate Ion	81.XXX	3,910	-	3,910
Land Use Impacts on Water Quality	81.XXX	16,500	-	16,500
Sensors to Detect & Analyze	81.XXX	16,500	-	16,500
INRA Chronic Stress Ecosystems	81.XXX	13,808	-	13,808
Synchronous Machine Simulation	81.XXX	42,318	-	42,318
Ion Mobility Spectrometer Prob	81.XXX	76,102	-	76,102
ODS Cladding Materials	81.XXX	30,547	-	30,547
Sensors for Contaminants	81.XXX	17,980	-	17,980

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF ENERGY (continued):				
Pass Through Payments (continued):				
Spark Plasma Sintering of Fuel	81.XXX	\$ 40,940	\$ -	\$ 40,940
Forecasting for Wind Energy	81.XXX	78,783	-	78,783
Dev Lignocellulosic Ethanol	81.XXX	11,474	-	11,474
CAES Associate Director Spring 2009	81.XXX	38,421	-	38,421
Evaluate Actinide Compounds YR1	81.XXX	8,625	-	8,625
ACE Workshop - 2009	81.XXX	7,614	-	7,614
Wind for Schools	81.XXX	-	42,932	42,932
Total U.S. Department of Energy		\$ 1,203,093	\$ 193,756	\$ 1,396,849
U.S. DEPARTMENT OF EDUCATION:				
Direct Programs:				
Federal Pell Grants	84.063 (1)	\$ -	\$ 16,488,915	\$ 16,488,915
Federal Supplemental Educational Opportunity Grants	84.007 (1)	-	444,124	444,124
Federal Direct Subsidized Loans	84.268 (1)	-	31,427,547	31,427,547
Federal Direct Unsubsidized Loans	84.268 (1)	-	34,046,465	34,046,465
Federal Direct Parent Loans	84.268 (1)	-	1,572,833	1,572,833
Federal Perkins Loans	84.038 (1)	-	885,492	885,492
Federal College Work-Study (CWS)	84.033 (1)	-	552,730	552,730
Federal CWS Job Location Costs (JLC)	84.033 (1)	-	40,438	40,438
Federal ACG	84.375 (1)	-	402,486	402,486
Federal SMART	84.376 (1)	-	305,216	305,216
Student Success Program 2007-2008	84.042 (2)	-	46,532	46,532
Student Success Program 2008-2009	84.042 (2)	-	274,311	274,311
ETS I - Yr I	84.044 (2)	-	63,458	63,458
ETS II - Yr I	84.044 (2)	-	39,086	39,086
ETS I - 2008-2009	84.044 (2)	-	420,475	420,475
ETS II - 2008-2009	84.044 (2)	-	189,649	189,649
Upward Bound Nampa & Caldwell 2007-2008	84.047 (2)	-	110,631	110,631
Upward Bound Duck Valley 2007-2008	84.047 (2)	-	70,063	70,063
Upward Bound III Boise 2007-2008	84.047 (2)	-	99,567	99,567
Upward Bound IV Meridian 2007-2008	84.047 (2)	-	99,888	99,888
Upward Bound Nampa & Caldwell 2008-2009	84.047 (2)	-	282,373	282,373
Upward Bound Duck Valley 2008-2009	84.047 (2)	-	163,108	163,108
Upward Bound III Boise 2008-2009	84.047 (2)	-	138,939	138,939
Upward Bound IV Meridian 2008-2009	84.047 (2)	-	130,104	130,104
HEP Year 4	84.141	-	22,844	22,844
HEP Year 5	84.141	-	466,852	466,852
CAMP 5/00	84.149	-	(546)	(546)
CAMP Year 4	84.149	-	71,189	71,189
CAMP 2008-2009	84.149	-	423,441	423,441

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (continued):				
Direct Programs (continued):				
Prevention of Drinking Freshman	84.184	\$ -	\$ 93,163	\$ 93,163
Graduate Bilingual - Year 1	84.195	-	121,932	121,932
ID Systemic Solution	84.215	64,895	-	64,895
ID Systemic Solution	84.215	61,545	-	61,545
McNair Scholars Program 2007-2008	84.217 (2)	-	65,378	65,378
McNair Scholars Program 2008-2009	84.217 (2)	-	135,747	135,747
Improving Metacomprehension	84.305	295,592	-	295,592
TATERS	84.325	-	65,586	65,586
Pass Through Payments:				
ABE Federal	84.002A	-	(1,433)	(1,433)
ABE State	84.002A	-	14,751	14,751
ABE Staff Development	84.002A	-	(953)	(953)
ABE Incarcerated FY '08	84.002A	-	(473)	(473)
ABE Federal Dir Services FY '09	84.002A	-	298,449	298,449
ABE Teacher Training FY '09	84.002A	-	18,032	18,032
ABE Federal Incarcerated FY '09	84.002A	-	8,191	8,191
ABE El Civics FY '09	84.002A	-	43,909	43,909
ABE Federal Admin (5%) FY '09	84.002A	-	16,318	16,318
ABE Quality PD Pers & Cont	84.002A	-	2,500	2,500
ABE IMAS Contract	84.002A	-	5,000	5,000
School Improvement Technical Assistance 2008-2009	84.010	-	196,590	196,590
NSD Tutoring Services 2008-2009	84.010	-	16,959	16,959
Idaho Building Capacity 2009	84.010	-	155,277	155,277
SW Regional Special Ed FY '08	84.027A	-	117,703	117,703
SW Regional Special Ed FY '09	84.027A	-	343,447	343,447
Student Organizations FY '08	84.048A	-	(89)	(89)
CND Non-Traditional FY '08	84.048A	-	1,186	1,186
Perkins PACE - FY '08	84.048A	-	305	305
Perkins - Tutorial	84.048A	-	272	272
Perkins - Partnerships	84.048A	-	32	32
Perkins Program Improvement	84.048A	-	3,059	3,059
End of Course Assessments	84.048A	-	892	892
Perkins - Academic Skills Development	84.048A	-	72,421	72,421
Perkins - Secondary to Postsecondary	84.048A	-	41,611	41,611
CND - Non-Traditional	84.048A	-	988	988
Perkins - PACE FY '09	84.048A	-	30,825	30,825
Perkins - Professional Development	84.048A	-	15,792	15,792
Student Organizations	84.048A	-	26,267	26,267

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass Through Payments (continued)				
Perkins Program Improvement FY '09	84.048A	\$ -	\$ 62,410	\$ 62,410
Perkins - Tech Skills Assessment	84.048A	-	7,679	7,679
2008 PTE Survey	84.048A	-	15,999	15,999
Magic Valley TAH	84.215	-	89	89
Teaching American History	84.215	-	206,353	206,353
ALP Region III FY '08	84.243A	-	3,174	3,174
Advanced Learning Ptnr FY '08	84.243A	-	(6,387)	(6,387)
Perkins - ALP FY '09	84.243A	-	87,998	87,998
Perkins - ALP Reg III FY '09	84.243A	-	63,021	63,021
Perkins - ALP Contribution FY '09	84.243A	-	14,249	14,249
ICSN Charter Showcase	84.282	-	3,942	3,942
Charter Start Workshop	84.282	-	11,963	11,963
Secondary RTI Screening	84.323	18,306	-	18,306
Transition to Teaching	84.350B	-	20,160	20,160
Reading First PD 2008-2009	84.357	-	452,858	452,858
Develop Teachers Math Thinking	84.366	-	279,288	279,288
National Writing Project	84.928A	-	72,522	72,522
National Writing Project	84.928A	-	482	482
National Writing Project	84.928A	-	(21,322)	(21,322)
Radar Network Center Support	84.XXX	-	179	179
NSD Tutoring Services 2007-2008	84.XXX	-	2,169	2,169
Response to Intervention Technical Assistance	84.XXX	-	12,685	12,685
Caldwell Academy of Leadership 2	84.XXX	-	101,000	101,000
Idaho Capacity Builders-Mountain Home	84.XXX	-	130,325	130,325
Idaho Capacity Builders-Caldwell	84.XXX	-	156,583	156,583
Caldwell School District Tutoring	84.XXX	-	130,573	130,573
Reading First 2007-2008	84.XXX	-	48,776	48,776
School Improvement Technical Assistance	84.XXX	-	11,365	11,365
Principals Academy Leadership	84.XXX	-	10,745	10,745
Total U.S. Department of Education		\$ 440,338	\$ 93,066,722	\$ 93,507,060
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Direct Programs:				
Enhancing Health Care Refugees	93.004	\$ 1,500	\$ -	\$ 1,500
Type XI Collagen Isoforms	93.273	(9,548)	-	(9,548)
GAIN Project	93.359	-	349	349
R15 Area Award-Oncostatin M	93.395	15,360	-	15,360
Evaluation of DNA Cross Linking	93.395	11,102	-	11,102
Evaluation of DNA Cross Linking Years 4-6	93.395	19,714	-	19,714
Oncostatin M-induced VEGF	93.396	21,791	-	21,791

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued):				
Direct Programs (continued):				
NIH Labrum	93.846	\$ 90,209	\$ -	\$ 90,209
Altered cAMP Reg of CD40L	93.855	35,185	-	35,185
Pass Through Payments:				
ICOA 2008 Needs Assessment B	93.044	6,496	-	6,496
Idaho Project Life - Year 2	93.048	27,573	-	27,573
Evaluation BOEOS	93.104	-	7,109	7,109
Insurance Financing	93.213	28,757	-	28,757
United Way Detox Evaluation	93.243	10,493	-	10,493
H & W Tobacco Prevention	93.283	-	18,981	18,981
NIH Subcontract from WSU	93.286	(3,620)	-	(3,620)
Health Disparities Intervention	93.307	(2,711)	-	(2,711)
INBRE YR 3 - Oxford	93.389	3,703	-	3,703
INBRE YR 3 - Rohn	93.389	(667)	-	(667)
INBRE YR 3 - Charlier	93.389	(550)	-	(550)
INBRE YR 3 - Knowlton	93.389	(807)	-	(807)
INBRE Yr 4 - Oxford	93.389	(31,847)	-	(31,847)
INBRE Yr 4 - Jorcyk	93.389	17,193	-	17,193
INBRE Yr 4 - Charlier	93.389	(691)	-	(691)
INBRE Yr 4 - Knowlton	93.389	(2,995)	-	(2,995)
INBRE YR 5 - Oxford	93.389	265,309	-	265,309
INBRE YR 5 - Jorcyk	93.389	68,332	-	68,332
INBRE YR 5 - Rohn	93.389	72,059	-	72,059
INBRE YR 5 - Charlier	93.389	69,917	-	69,917
INBRE YR 5 - Oxford 2	93.389	64,099	-	64,099
INBRE YR 5 - Knowlton	93.389	36,906	-	36,906
UNR Lithography Project	93.389	557	-	557
Selection of MRI Specs for 2D/	93.389	5,107	-	5,107
INBRE II - Core	93.389	72,750	-	72,750
INBRE II - Knowlton	93.389	224	-	224
Characterization of Enterotoxi	93.389	3,210	-	3,210
INBRE II - Cornell	93.389	28,659	-	28,659
INBRE-II - Bioinformatics	93.389	14,392	-	14,392
INBRE II - Team	93.389	1,903	-	1,903
INBRE II - Knowlton	93.389	11,491	-	11,491
INBRE II - Stevens	93.389	23,663	-	23,663
INBRE II - Mitchell	93.389	25,981	-	25,981
Child Welfare Stipend Programs	93.658	-	203,706	203,706
Foster Parent Training Contract	93.658	-	155,340	155,340
Academy Training Contract II	93.658	-	263,461	263,461
Child Welfare Center Contract II	93.658	-	302,962	302,962
Group Model of Maternity Care	93.884	5,225	-	5,225

See notes to schedule.

(continued)

BOISE STATE UNIVERSITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Federal Grant/Program Number	Federal CFDA Number	Research Expenditures	Non-research Expenditures	Total Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued):				
Pass Through Payments (continued):				
HFAY Rural Outreach	93.912	\$ 4,429	\$ -	\$ 4,429
HFAY Rural Outreach II	93.912	-	9,250	9,250
ID RADAR Network Center FY '08	93.959	-	149,959	149,959
Rural Family Physician Workforce - II	93.XXX	49,422	-	49,422
CAQ Pilot Project	93.XXX	2,351	-	2,351
Total U.S. Department of Health and Human Services		<u>\$ 1,061,626</u>	<u>\$ 1,111,117</u>	<u>\$ 2,172,743</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
Pass Through Payments				
L & S Promising Practice	94.005	\$ -	\$ 46,359	\$ 46,359
Students In Service	94.007	-	1,731	1,731
Total Corporation for National and Community Service		<u>\$ -</u>	<u>\$ 48,090</u>	<u>\$ 48,090</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Pass Through Payments				
NFA Training	97.043	\$ -	\$ (41)	\$ (41)
NFA Training FY '09	97.043	-	6,206	6,206
Total U.S. Department of Homeland Security		<u>\$ -</u>	<u>\$ 6,165</u>	<u>\$ 6,165</u>
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT:				
Direct Programs:				
Reconstruct Fire/Dist Sawtooth	98.XXX	\$ 6,407	\$ -	\$ 6,407
Pass Through Payments:				
Dev. of Materials Conn. Centre	98.002	36,921	-	36,921
Total United States Agency for International Development		<u>\$ 43,328</u>	<u>\$ -</u>	<u>\$ 43,328</u>
Total Federal Expenditures		<u>\$ 10,337,429</u>	<u>\$ 98,826,272</u>	<u>\$ 109,163,701</u>
See notes to schedule.				

(1) Student Financial Aid Cluster is combined and displayed as a major program.

(2) TRIO Cluster is combined and displayed as a major program.

BOISE STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented on this schedule many differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. UNIVERSITY ADMINISTERED LOAN PROGRAMS

The University administers the following loan programs:

Loan Program	Number	Loan Balances
Federal Perkins	84.038	\$ 10,444,921
Nursing Student		\$ 5,765

Total loan expenditures and disbursements of the Department of Education (Perkins) student financial assistance programs for the year ended June 30, 2009 are identified below:

Loan Program	Number	Loan Disbursements
Federal Perkins	84.038	\$ 885,492

The expenditures reported in the Schedule of Expenditures of Federal Awards include the administrative cost allowances and the Federal Capital Contribution for the year ended June 30, 2009.

BOISE STATE UNIVERSITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

3. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the University provided federal awards to subrecipients as follows:

Program	Federal CFDA Number	Amount Provided to Subrecipients
USDA Utilizing GPR & Solute	10.206	\$ 4,999
EDA University Center FY '08	11.303	7,014
EDA University Center FY '09	11.303	100,118
NIST General FY '08	11.611	25,153
NIST General FY '09	11.611	198,489
DEPSCOR '08	12.431	20,386
Depscor Micro-Propulsion	12.800	3,500
DARPA FFY 2005	12.910	174,154
DARPA 3-D Tech for Adv. Sensor	12.910	204,716
Reconfigurable Electronics	12.910	90,266
SBA CY '08	59.037	130,866
SBA CY '09	59.037	114,287
Hydrogeophysical Characterization	66.606	15,028
EPA Multi-Purpose Sensors	66.606	21,995
DOE Wind Energy	81.087	861
SW Regional Special Ed FY09	84.027	17,400
Improving Metacomprehension	84.305	85,324
INBRE YR 5 - Rohn	93.389	17,150
Spacial & Temporal Variations	43.XXX	13,793
Forecasting for Wind Energy	81.XXX	4,860
Caldwell Academy of Ldrship 2	84.XXX	100,000
Idaho Capacity Bldrs-Caldwell	84.XXX	(1,272)
Rural Fam Phys Wrkfr - II	93.XXX	20,500
Total Subrecipients		\$ <u>1,369,587</u>

APPENDIX B**SCHEDULE OF STUDENT FEES**

The following table sets forth the Student Fees of the University at the rates in effect for the current fiscal year. The amounts shown as Estimated Annual Revenue reflect the University's estimates based on actual collections for the summer term and fall semester of 2009 and estimates of collections for the spring semester of 2010.

The University's estimates include certain assumptions concerning refunds, late fees and other variables with respect to individual fees, such that the annual estimated revenues of each fee are not the numerical product of the fee rates times a constant number for students paying such fees, but nonetheless represent the University's best estimate of fee revenues. The number of students used to calculate Estimated Annual Revenue is less than the total number of full-time-equivalent students as a result of the University's policy to provide fee waivers or discounts to certain scholarship recipients and to certain employees and spouses of certain employees. Prior to fall semester 2009, students taking eight or more credit hours paid University fees as full-time students. Effective with the fall semester 2009, the State Board of Education redefined full-time undergraduate students as students taking 12 credit hours or more and full time graduate students as students taking nine credit hours or more per semester.

SCHEDULE OF STUDENT FEES
FOR THE FISCAL YEAR ENDING JUNE 30, 2010⁽¹⁾

	FULL TIME FEES ⁽²⁾			PART TIME FEES ⁽²⁾		
	RATE PER SEMESTER	ANNUAL ESTIMATED REVENUE	RATE PER CREDIT HOUR	RATE PER CREDIT HOUR	ANNUAL ESTIMATED REVENUE	TOTAL ANNUAL ESTIMATED REVENUE
	Fall and Spring		Summer ⁽³⁾	Fall and Spring		
TUITION	\$1,552.80	\$37,237,549	\$161.57	\$168.52	\$14,023,088	\$51,260,637
FACILITY FEES						
General Building Fee	99.00	2,374,110	9.00	9.00	779,077	3,153,187
Capital Expenditure Reserve Fee	5.00	119,905			0	119,905
SUB Construction Fee	27.00	647,484	2.70	2.70	233,723	881,208
Residence Hall Construction Fee	57.00	1,366,912	5.70	5.70	493,416	1,860,327
Recreation Facility Fee	65.00	1,558,759	6.50	6.50	562,667	2,121,426
Facilities Fee	210.00	5,035,990	20.50	20.50	1,774,565	6,810,555
Health and Wellness Ctr. Facility Fee	<u>40.00</u>	<u>959,236</u>	<u>4.00</u>	<u>4.00</u>	<u>346,257</u>	<u>1,305,493</u>
Subtotal Facility Fees	\$ 503.00	\$12,062,396	\$ 48.40	\$ 48.40	\$ 4,189,706	\$16,252,101
TECHNOLOGY FEES						
Student Support System Tech Fee	23.00	551,561	2.40	2.15	193,579	745,140
Technology Fee-Computer Labs	<u>27.25</u>	<u>653,480</u>	<u>3.00</u>	<u>3.00</u>	<u>259,692</u>	<u>913,172</u>
Subtotal Technology Fees	\$ 50.25	\$ 1,205,040	\$ 5.40	\$ 5.15	\$ 453,272	\$ 1,658,312
ACTIVITY FEES						
Intercollegiate Athletics	101.00	2,422,071	-	9.65	547,151	2,969,222
Student Health Center	39.50	947,246	4.10	4.10	354,913	1,302,159
Student Union Operations	87.50	2,098,329	9.25	8.75	772,369	2,870,698
Associated Student Body	12.80	306,956	1.28	1.28	110,802	417,758
University News	6.00	143,885	0.25	0.25	21,641	165,526
Student Program Board	6.00	143,885	0.50	0.50	43,282	187,168
BSU Radio	2.00	47,962	-	-	0	47,962
Campus Recreation	30.25	725,422	3.90	3.05	289,406	1,014,828
Drama, Music and Theatre Arts	1.50	35,971	-	-	0	35,971
Alumni Activities	3.50	83,933	-	0.35	19,845	103,778
Scholarships	15.00	359,714	-	-	0	359,714
Child Care Center Operations	7.00	167,866	0.70	0.70	60,595	228,461
Volunteer Services Board	1.90	45,564	0.10	0.10	8,656	54,220
Distinguished Lecture Series	2.00	47,962	0.20	0.20	17,313	65,275
Marching Band	6.50	155,876	-	0.65	36,855	192,731
Cultural Center	<u>3.50</u>	<u>83,933</u>	<u>0.35</u>	<u>0.35</u>	<u>30,297</u>	<u>114,231</u>
Subtotal Activity Fees	<u>325.95</u>	<u>\$ 7,816,575</u>	<u>20.63</u>	<u>29.93</u>	<u>2,313,125</u>	<u>10,129,701</u>
TOTAL GENERAL FEES—RESIDENT	<u>\$2,432.00</u>	<u>\$58,321,560</u>	<u>\$236.00</u>	<u>\$252.00⁽⁴⁾</u>	<u>\$20,979,190</u>	<u>\$79,300,751</u>
OTHER FEES/TUITION						
Graduate/Professional	446.00	444,688	47.00	49.00	390,859	835,547
Student Health Insurance ⁽⁵⁾	-					-
Non-resident Tuition (net of waivers)	4,502.00	4,778,114		75.00	302,751	5,080,866
Western Undergraduate Exchange Fee	1,216.00	1,139,392				1,139,392
In-service				Varies	372,567	372,567
Course Overload Credit Hour Fee	252.00	254,864				254,864
Faculty Staff Fees		36,493			10,676	47,169
Senior Citizen Fees		11,186			2,247	13,433
Self Support Programs	Varies	<u>4,088,315</u>			<u>857,573</u>	<u>4,945,888</u>
Subtotal General Education Fees		<u>10,753,052</u>			<u>1,936,673</u>	<u>12,689,725</u>
TOTAL FEES		<u>\$69,074,613</u>			<u>\$22,915,863</u>	<u>\$91,990,476</u>

- (1) Includes actual fees and revenues for the summer 2009 term and the fall 2009 semester, and estimated fees and revenues for the spring 2010 semester.
- (2) Full-time undergraduate fees are charged to undergraduate students taking 12 or more credit hours. Full-time Graduate fees are charged to graduate students taking nine or more credit hours. Part-time credit hour fees are charged to students taking 11 or fewer credit hours.
- (3) For Summer, the part-time credit hour fee is charged regardless of the number of credits.
- (4) Undergraduate Students enrolled in 10 credits will pay \$2,324.00. Undergraduate Students enrolled in 11 credits will pay \$2,378.00.
- (5) Student health insurance revenues are not included as Pledged Revenues because such revenues are transferred to the insurance carrier and are not a revenue source for the University.

APPENDIX C

GLOSSARY OF TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT

The following is a summary of certain terms used in the Resolution and the Official Statement. Reference is made to the Resolution for full details of all the terms upon which Series 2010 Bonds are issued and the Pledged Revenues are applied.

“Accountant’s Certificate” means a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the University and acceptable to the Trustee (which acceptance shall not be unreasonably withheld), who may be the accountant or firm of accountants who regularly audit the books of the University, *provided* that, if the Trustee shall fail to so accept, it shall deliver to the University a statement of its reasons for such non-acceptance.

“Act” means the Educational Institutions Act of 1935, codified in Title 33, Chapter 38, Idaho Code, as the same shall be amended from time to time.

“Activity Fees” shall include such fees designated and set from time to time by the Board or the University, imposed upon each full-time and part-time on-campus student in attendance at the University. Currently such fees include: intercollegiate athletics, student health center, student union and housing operations, associated student body, university news, student program board, BSU radio, campus recreation, drama, music and theater arts, alumni activities, scholarships, outdoor program, child care center operations, service learning program, volunteer services board, student identification system, distinguished lecture series, and marching band. Although described as an Activity Fee in certain University documents, revenues from student fees collected for student health insurance which are paid to a third-party vendor are not included in the definition of Activity Fees for purposes of generating Pledged Revenues under the Resolution.

“Additional Bonds” means any bonds which the University may issue pursuant to the Resolution, secured by all or a portion of the Pledged Revenues, as may be amended from time to time.

“Authorized Officer of the University” means the Bursar or a representative designated by the Bursar.

“Auxiliary Enterprises” means all facilities of the University generating Sales and Services Revenues, including the System.

“Beneficial Owner(s)” means the owners of any Bonds whose ownership is recorded under the Book-Entry System maintained by the Securities Depository.

“*Board*” means the Board of Trustees of the University.

“*Bond Fund*” means the fund by that name created under the Resolution, consisting of (1) a Debt Service Account and (2) a Debt Service Reserve Account.

“*Bonds*” means all Bonds issued pursuant to the Resolution.

“*Bursar*” means the officer so designated by the University as chief financial officer of the University, currently the Vice President for Finance and Administration of the University, including any acting Bursar designated by the University.

“*Business Day*” means a day, other than Saturday or Sunday, on which banks located in the states of Idaho, Minnesota, Utah and Washington or in any city where the principal corporate trust office of the Trustee is located, are open for the purpose of conducting commercial banking business.

“*Capital Expenditure Reserve Fee*” means the fee assessed against full-time and part-time students at the University, as said fee now exists and may hereafter be revised by the Board.

“*Cede & Co.*” means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

“*Code*” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the regulations promulgated thereunder.

“*Construction Fund*” means the fund by that name created under the Resolution, from which the Costs of Issuance and the Costs of Acquisition and Construction of a Project shall be paid.

“*Consultant’s Report*” means a report signed by an independent financial consultant or other independent consultant, selected by the University and approved by the Trustee (which approval shall not unreasonably be withheld), as may be appropriate to the subject of the report, and including:

- i. a statement that the person or firm making or giving such report has read the pertinent provisions of the Resolution to which such report relates;
- ii. a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and
- iii. a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent financial consultant or other independent consultant to express an informed opinion with respect to the subject matter referred to in the report.

“Cost(s) of Issuance” means printing, rating agency fees, legal fees, underwriting fees, fees and expenses of the Trustee, bond insurance premiums, if any, and all other fees, charges, and expenses with respect to or incurred in connection with the issuance, sale, and delivery of a Series of Bonds.

“Cross-over Date” means with respect to Cross-over Refunding Bonds the date on which the principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“Cross-over Refunded Bonds” means Bonds refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of state law requirements, to secure the payment on an applicable Redemption Date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Debt Service” for any period means, as of any date of calculation, an amount equal to the Principal Installment and interest accruing during such period on the Bonds, plus any Payment due under a Parity Payment Agreement. Such Debt Service on the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installment on the Bonds on the due date thereof. For any Series of Variable Rate Bonds bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such Series of Variable Rate Bonds will bear interest at a fixed rate equal to the higher of (i) the average of the variable rates applicable to such Series of Variable Rate Bonds during any twenty-four month period ending within 30 days prior to the date of computation, or (ii) 110% of the *Bond Buyer 25 Revenue Bond Index* most recently published prior to the computation date but bearing interest at a fixed rate. There shall be excluded from “Debt Service” (i) interest on Bonds (whether Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, and (ii) principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 57-504, Idaho Code, and such proceeds or the earnings thereon are required to be applied to pay such principal (subject to the possible use to pay the principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such principal.

“Debt Service Account” means the account of that name created within the Bond Fund under the Resolution.

“Debt Service Reserve Account” means the account of that name created within the Bond Fund under the Resolution.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Participants” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Estimated Pledged Revenues” means, for any year, the estimated Pledged Revenues for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Pledged Revenues, Pledged Revenues may be adjusted as necessary to reflect any changes to the (i) schedule of fees for use of the System, (ii) the Student Union and Housing Fee, or (iii) other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of Bonds in connection with which an estimate is made. In estimating Operation and Maintenance Expenses, recognition shall be given to any other revenues which may be designated by the Board, and to any anticipated change in the Operation and Maintenance Expenses. Amounts reasonably anticipated to be paid from sources other than Pledged Revenues may be excluded from the estimated Operation and Maintenance Expenses.

“Estimated Revenues Available for Debt Service” means, for any year, the Revenues Available for Debt Service for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Revenues Available for Debt Service, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a Series of Bonds in connection with which an estimate is made.

“Event of Default” means one or more of the events described under the caption, “Events of Default” in APPENDIX D.

“F&A Recovery Revenues” means the revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University.

“Facility Fees” shall consist of the Student Building Fee, the Student Union and Housing Fee, the Capital Expenditure Reserve Fee and Recreation Facility Fee.

“Fiscal Year” means the annual accounting period of the University, beginning July 1 in a year and ending June 30 of the following year.

“General Account Appropriated Funds” means general account appropriated funds of the State of Idaho which in accordance with governmental accounting standards and the University’s audited financial statements are treated as non-operating revenues and accordingly such revenues are not included in the definition of Other Operating Revenues for purposes of generating Pledged Revenues under the Resolution, and in any event are excluded from Pledged Revenues.

“General Education Fees” shall consist of the part-time credit hour fee, graduate/professional fee, tuition, the western undergraduate exchange fee, the in-service fee, the overload fee, and such other fees as the University shall hereafter establish.

“Generally Accepted Accounting Principles” means those accounting principles applicable in the preparation of financial statements of business corporations as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

“Investment Income” shall include investment earnings on all University funds and accounts.

“Investment Securities” means any securities authorized to be acquired by the Treasurer of the State of Idaho pursuant to Section 67-1210 and 67-1210A, Idaho Code, or any successor Code section specifying legal investments.

“Mandatory Redemption Amount” means the mandatory deposits established under the related Supplemental Resolution.

“Matriculation Fee” means the general education fee charged for maintenance and operation of physical plant, student services, and institutional support for full-time students enrolled in academic credit courses and professional-technical education pre-employment, preparatory programs, as said fee now exists and may hereafter be revised by the Board.

“Maximum Annual Debt Service” means an amount equal to the greatest annual Debt Service with respect to the Bonds for the current or any future Fiscal Year.

“Net Proceeds,” when used with reference to any Series of Bonds, means the aggregate principal amount of the Series of Bonds, less the Costs of Issuance.

“Operation and Maintenance Expenses” with respect to the Auxiliary Enterprises, means all actual operation and maintenance expenses incurred by the University in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, but only if such charges are made in conformity with Generally Accepted Accounting Principles.

Operation and Maintenance Expenses include, but are not limited to, costs for ordinary repairs, renewals and replacements of the Auxiliary Enterprises, for salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services, fees and charges of financial, banking or other institutions for letters of credit, standby credit facilities, reimbursement agreements and remarketing, indexing and tender agent agreements to secure any Series of Bonds, training of personnel, taxes and other governmental charges imposed by other than the University, fuel costs, and any other current expenses or

obligations required to be paid by the University under the provisions of the Resolution or by law, all to the extent properly allocable to the Auxiliary Enterprises.

Notwithstanding the first sentence of this definition, Operation and Maintenance Expenses do not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment or amortization of principal of bonded or other indebtedness of the University; costs or charges which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any part of the Auxiliary Enterprises or such property items which are capitalized pursuant to the then existing accounting practice of the University.

“Other Operating Revenues” means revenues received by the University generated from miscellaneous sources, *i.e.*, certain non-auxiliary advertising, vending in non-auxiliary facilities, postage and printing.

“Outstanding,” when used with reference to the Bonds, as of any particular date, means the Bonds which have been issued, sold and delivered under the Resolution, except (i) the Bonds (or portion thereof) cancelled because of payment or redemption prior to their stated date of maturity, and (ii) the Bonds (or portion thereof) for the payment or redemption of which there has been separately set aside and held money for the payment thereof.

“Payment Date” means the date upon which a payment of Debt Service on the Bonds shall be due and payable.

“Pledged Revenues” means (i) Student Fees, (ii) Sales and Services Revenues, (iii) the F&A Recovery Revenues, (iv) Other Operating Revenues, (v) Investment Income, and (vi) such other revenues as the Board shall designate as Pledged Revenues. Notwithstanding the definitions set forth above and, in particular, notwithstanding clause (vi) of paragraphs A, B, C and D above, in no event shall Pledged Revenues include (i) General Account Appropriated Funds or (ii) Restricted Fund Revenues.

“President” means the president of the Board.

“Principal Installment” means, as of any date of calculation and with respect to any Series of Bonds then Outstanding, (A) the principal amount of Bonds of such Series due on a certain future date for which no Mandatory Redemption Amounts have been established, or (B) the unsatisfied balance of any Mandatory Redemption Amount due on a certain future date for Bonds of such Series, plus the amount of the mandatory redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to such unsatisfied balance of such Mandatory Redemption Amount, or (C) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of such Mandatory Redemption Amount due on such future date plus such applicable redemption premiums.

“Private Person” means any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

“Private Person Use” means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

“Project” means any “project”, as defined in the Act, that is financed with the proceeds of Bonds issued under the Resolution.

“Project Account” means an account established by the University within the Construction Fund for a Project.

“Rebate Fund” means the fund by that name established by the Resolution.

“Record Date” means the 15th day of the calendar month next preceding any interest payment date.

“Recreation Facility Fee” means the Recreation Facility Fee designated and set from time to time by the Board, imposed upon each full-time and part-time on-campus student in attendance at the University.

“Registered Owner or Owner(s)” means the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Trustee in accordance with the terms of the Resolution.

“Resolution” or *“Original Resolution”* means the Resolution adopted by the Board on September 17, 1992, providing for the issuance of General Revenue Bonds, as from time to time amended and supplemented by Supplemental Resolutions.

“Restricted Fund Revenues” means all revenues that the University is obligated to spend in accordance with restrictions imposed by external third parties, such as revenues from grants, contracts, gifts and scholarships.

“Revenue Fund” means the fund by that name established under the Resolution.

“Revenues Available for Debt Service” means:

A. Revenues in clauses (i), (iii), (iv), (v), and (vi) of the subsection of the definition of Pledged Revenues then in effect (*i.e.*, subsection A, B, C or D); and

B. Revenues in clause (ii) of the subsection of the definition of Pledged Revenues then in effect, less Operation and Maintenance Expenses of the Auxiliary Enterprises.

“Sales and Services Revenues” means all revenues generated through operations of the Auxiliary Enterprises, including revenues of the System. These revenues include revenues generated through housing and student union operations; bookstore sales; event sales from the Pavilion, Bronco Stadium, Morrison Center and Select-a-seat; parking charges; recreation center activity charges; and other miscellaneous operations. Sales and Services Revenues also include revenues generated incidentally to the conduct of instruction, research and public service activities, such as unrestricted revenues generated by the University’s public radio station, testing services provided by University labs, and sales of scientific and literary publications.

“Secretary” means the secretary of the Board.

“Securities Depository” means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to the Resolution.

“Service and Activity Fees” shall consist of the Facility Fees, the Activity Fees, and the Technology Fees, and such other fees as the University shall hereafter establish and impose upon each full-time and part-time student in attendance at the University.

“Student Building Fee” or *“General Building Fee”* means the Student Building Fee designated and set from time to time by the Board, imposed upon each full-time and part-time on-campus student in attendance at the University.

“Student Fees” shall consist of the Matriculation Fee, the Service and Activity Fees, and the General Education Fees.

“Student Union and Housing Fee” means the fee established by the Board, the revenues of which are Pledged Revenues for the Bonds, as said fee now exists and may hereafter be revised by the Board.

“Student Union and Housing System” or *“System”* means the University’s system of (i) dormitory, apartment and family student housing facilities, and facilities related thereto; (ii) the University’s Student Union Building; and (iii) all other housing, dining, student union and related auxiliary facilities which may hereafter be added to the Student Union and Housing System.

“Supplemental Resolution” means any resolution amending or supplementing the terms of the Resolution in full force and effect which has been duly adopted and approved by the University under the Act, but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

“Technology Fees” shall include the technology fee charged for campus technology enhancements and operations and the student support system fee, as assessed against full-time and part-time students at the University, and as said fees now exist and may hereafter be revised by the Board or the University.

“Trustee” means U.S. Bank National Association, Salt Lake City, Utah, which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2010 Bonds, or its successors in functions, as now or hereafter designated.

“University” means Boise State University, a body politic and corporate established pursuant to Section 33-4001, Idaho Code.

“Variable Rate Bonds” means as of any date of calculation, Bonds, the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate that is not susceptible of precise determination.

“Written Certificate of the University” means an instrument in writing signed on behalf of the University by a duly authorized officer thereof. Every Written Certificate of the University, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include: (A) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the Resolution to which such certificate, request, statement or opinion relates; (B) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, request, statement or opinion is based; (C) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (D) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

APPENDIX D

SUMMARY OF PROVISIONS OF THE RESOLUTION

The following is a summary of certain provisions contained in the Resolution and is not to be considered as a full statement thereof. Reference is made to the Resolution for full details of all the terms upon which Series 2010 Bonds are issued and the application of the Pledged Revenues. The Resolution, including all Supplemental Resolutions, are on file at the office of the University, 1910 University Drive, Room 210, Boise, Idaho 83725. See also “THE SERIES 2010 BONDS” and “SECURITY FOR THE SERIES 2010 BONDS” in the body of the Official Statement.

ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

Establishment of Funds. The following funds are established under the Resolution:

- i. Revenue Fund, to be held by the University;
- ii. Construction Fund, to be held by the University;
- iii. Bond Fund, consisting of a (a) Debt Service Account and (b) a Debt Service Reserve Account (which is not required under the Resolution to be funded), to be held by the Trustee; and
- iv. Rebate Fund, to be held by the University.

The Trustee and the University may establish one or more subaccounts within such funds from time to time as shall be necessary.

Revenue Fund; Debt Service Account; Flow of Funds. The University shall deposit all Pledged Revenues into the Revenue Fund. Moneys in the Revenue Fund shall be transferred to the Trustee for deposit in the Debt Service Account in the Bond Fund not later than five days before any Payment Date, an amount equal to Debt Service coming due on such Payment Date. The Trustee shall pay out of the Debt Service Account to the Registered Owners of the Bonds entitled to such payment, on or before each Payment Date, the amount of Debt Service payable on such date.

Amounts remaining in the Revenue Fund at the end of any Fiscal Year in excess of the amounts necessary to make the payments required above may be applied by the University, free and clear of the lien of the Resolution, to the extent permitted by law, (i) to the redemption of Bonds, or (ii) for any other lawful purpose of the University.

Construction Fund. Bond proceeds to be used for construction costs and Costs of Issuance relating to a Project shall be deposited in the applicable Project Account in the

Construction Fund. Income received from the investment of moneys in any Project Account in the Construction Fund shall be credited to such Project Account.

The completion date of a Project shall be evidenced by a certificate of the University, which shall be filed with the Trustee as soon as practicable upon completion of the Project, stating (1) that such Project has been completed substantially in accordance with the plans and specifications applicable thereto, as from time to time amended, (2) the date of such completion date and (3) the amount, if any, required for the payment of any remaining costs of construction of such Project. If such certificate or a subsequent certificate of the University shall state that the balance in the Project Account (in excess of the amount, if any, required for payment of any remaining costs of construction of the Project) is no longer needed to pay costs of construction of the Project, any remaining balance in the Project Account shall, to the extent permitted under applicable law and covenants regarding the use of proceeds of the Bonds, be (i) used to purchase Bonds, (ii) deposited into the Debt Service Account in the Bond Fund, (iv) transferred into another Project Account to pay costs of construction of a Project, or (v) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds.

Before any payment is made from any Project Account in the Construction Fund, the University shall execute a Written Certificate showing, with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and in a reasonable amount against the Project Account in the Construction Fund and has not been theretofore included in a prior Written Certificate, and that, insofar as any such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.

Investment of Funds. Moneys held in any Fund or Account shall be invested and reinvested by the University or the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund or Account.

ADDITIONAL BONDS

Prior to the issuance of Additional Bonds, the University shall file with the Trustee the following documents:

- i. A copy of the Supplemental Resolution authorizing the issuance of the Additional Bonds.
- ii. A Written Certificate of the University to the effect that, upon delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution with respect to any Bonds Outstanding.

iii. For so long as any of the Pre-2003 Bonds are Outstanding, a Consultant's Report, and at any time that all of the Pre-2003 Bonds shall cease to be Outstanding, a Written Certificate signed by an Authorized Officer of the University, in either case setting forth the then estimated completion date and the then estimated cost of construction of the Project being financed by the Additional Bonds.

(iv) A Written Certificate of the University showing that Estimated Revenues Available for Debt Service (assuming completion of the proposed Project on its then estimated completion date) will equal at least 110% of the Maximum Annual Debt Service on all Bonds then Outstanding and the Additional Bonds proposed to be issued for (1) each of the Fiscal Years of the University during which any of the Bonds or Additional Bonds will be Outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized, or (2) the University's current Fiscal Year and any succeeding Fiscal Year during which any of the Bonds or Additional Bonds will be Outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized (the "*Additional Bonds Certificate*").

Refunding Bonds. The University may issue Additional Bonds for the purpose of refunding any Outstanding Bonds issued under the Resolution, *provided* that the Debt Service in each year on the refunding bonds does not exceed by more than \$25,000 the Debt Service on the Bonds being refunded. The University may also issue Additional Bonds for the purpose of refunding any other obligations of the University, *provided* that the University shall file with the Trustee the following documents:

(i) A copy of the Supplemental Resolution that shall authorize the issuance of the Additional Bonds and that shall provide that any revenues securing such obligations to be refunded shall become part of the Pledged Revenues securing the Bonds issued under the Resolution;

(ii) A Written Certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of the Resolution; and

(iii) The Additional Bonds Certificate described above.

COVENANTS OF THE UNIVERSITY

Punctual Payment of Bonds. The University will punctually pay or cause to be paid the principal or redemption price and the interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Resolution.

Covenant Regarding Pledged Revenues. The University shall establish and maintain the Pledged Revenues sufficient, together with other Pledged Revenues available or to be available in the Debt Service Account to pay Debt Service for the Fiscal Year, to produce Revenues

Available for Debt Service in each Fiscal Year equal to not less than 110% of the Debt Service on the Bonds Outstanding for each such Fiscal Year.

Existence of University. The University will maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished.

Accounts and Reports. The University will at all times keep, or cause to be kept, proper books of record and accounts in accordance with generally accepted accounting principles in which complete and accurate entries shall be made of all transactions relating to the System and the Pledged Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or the Registered Owners of not less than five percent of the Bonds then Outstanding, or their representatives authorized in writing.

The University will place on file with the Trustee promptly upon the receipt thereof by the University and in any event annually within six months after the close of each Fiscal Year, a copy of its annual audit report covering the operations of the University and certified by a Certified Public Accountant. Such report shall provide such information as is necessary to evidence compliance with applicable agreements and covenants made by the University in the Resolution.

The University shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default under the Resolution, a Written Certificate of the University specifying such Event of Default; and (ii) no later than 120 days following the end of each Fiscal Year, a Written Certificate of the University stating that, to the best of the knowledge and belief of the authorized officer of the University executing such Written Certificate, except for any Event of Default then existing which shall have been specified in the Written Certificate of the University referred to in (i) above, the University has kept, observed, performed, and fulfilled each and every one of its covenants and obligations contained in the Resolution, and there does not exist at the date of such Written Certificate any Event of Default by the University under the Resolution or other event which, with the lapse of time specified in the Resolution, would become an Event of Default, or, if any such Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

Compliance with the Resolution. The University will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of the Resolution, and will not suffer or permit any default to the Resolution, but will faithfully observe and perform all the covenants, conditions, and requirements thereof. The University will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or facilitate the performance of the Resolution, and for better assuring and confirming unto the Registered Owners of the Bonds of the rights, benefits, and security provided in the Resolution.

Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds. The University is duly authorized under all applicable laws to issue the Bonds and to adopt the Resolution and to pledge the Pledged Revenues and other moneys, securities, and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. The Bonds and the

provisions of the Resolution are and will be the valid and legally enforceable obligations of the University in accordance with their terms and the terms of the Resolution. The University shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge of the Pledged Revenues and other moneys, securities, and funds pledged under the Resolution and all the rights of the Registered Owners under the Resolution against all claims and demands of all persons whomsoever.

Power to Own and Operate the System and Collect Fees. The University has, and will have so long as any Bonds are Outstanding, good right and lawful power to own and operate the System and to fix and collect the Pledged Revenues.

Tax Covenants. The University covenants for the benefit of the Owners of any tax-exempt Bonds (“*Tax-Exempt Bonds*”) that it will not take any action or omit to take any action with respect to Tax-Exempt Bonds, the proceeds thereof, any other funds of the University, or any Project if such action or omission (i) would cause the interest on the Tax-Exempt Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103(a) of the Code, (ii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Tax-Exempt Bonds to lose its exclusion from State taxable income under present State law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Tax-Exempt Bonds until the date on which all obligations of the University in fulfilling the above covenant under the Code have been met. The University agrees to comply with all of its covenants set forth in any tax certificate with respect to any Series of Tax-Exempt Bonds.

MODIFICATION OR AMENDMENT OF RESOLUTION

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution and pursuant to the affirmative vote at a meeting of Registered Owners, or with the written consent without a meeting, (i) of the Registered Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Registered Owners of at least 60% in principal amount of the Bonds of each Series so affected and then Outstanding, and (iii) in case the modification or amendment changes the terms of any Mandatory Redemption Amounts, of the Registered Owners of at least 60% in principal amount of the Bonds of the particular Series and maturity entitled to such Mandatory Redemption Amounts and then Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Registered Owners of Bonds of such Series shall not be required and Bonds of such Series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall (x) extend the fixed maturity of any Bond, or reduce the principal amount or redemption price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the

Registered Owner of each Bond so affected, or (y) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding, or (z) without its written consent thereto, modify any of the rights or obligations of the Trustee.

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may also be modified or amended at any time by a Supplemental Resolution, without the consent of any Registered Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

- i. to add to the covenants and agreements of the University in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the University;
- ii. to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution, or in regard to questions arising under the Resolution, as the University may deem necessary or desirable, and which shall not adversely affect the interests of the Trustee or the Registered Owners of the Bonds;
- iii. to provide for the issuance of a Series of Bonds, and to provide the terms and conditions under which such Series of Bonds may be issued, subject to the requirements described above under “ADDITIONAL BONDS”; and
- iv. to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated public obligations pursuant to the applicable provisions of state law.

EVENTS OF DEFAULT AND REMEDIES OF REGISTERED OWNERS

Events of Default. The following are Events of Default under the Resolution:

- i. failure to make the due and punctual payment of any Principal Installment of a Bond when and as the same shall become due and payable, whether at maturity, by call for redemption, or declaration or otherwise;
- ii. failure to make the due and punctual payment of any installment of interest on any Bond or any Mandatory Redemption Amount, when and as such interest installment or any Mandatory Redemption Amount shall become due and payable;
- iii. failure by the University to perform or observe any other of the covenants, agreements, or conditions on its part in the Resolution or in the Bonds contained, and such default shall continue for a period of 30 days after written notice thereof to the University by the Trustee specifying such failure and requiring the same to be remedied, which 30-day period may not be extended by more than 30 additional days without the prior consent of certain insurers of the Bonds;

iv. a judgment for the payment of money shall be rendered against the University, and any such judgment shall not be discharged within 120 days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof;

v. dissolution or liquidation of the University or the filing by the University of a voluntary petition in bankruptcy, or the commission by the University of any act of bankruptcy, or adjudication of the University as a bankrupt, or assignment by the University for the benefit of its creditors, or the entry by the University into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the University in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

vi. an order or decree shall be entered, with the consent or acquiescence of the University, appointing a receiver or receivers of any Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the University, shall not be vacated or discharged or stayed within 90 days after the entry thereof;

vii. any event of default specified in a Supplemental Resolution;

In the case of an Event of Default, unless the Outstanding amount of the Bonds shall have already become due and payable, the Trustee (by 30 days' written notice to the University), or the Registered Owners of not less than 25% of the Bonds then Outstanding (by notice in writing to the University and the Trustee), with the consent of certain bond insurers, may declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding.

RIGHTS AND REMEDIES OF REGISTERED OWNERS

No Registered Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to the Resolution, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Registered Owner has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Registered Owners of not less than 25% in principal amount of the Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee;

(3) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(4) the Trustee, for 60 days after its receipt of such notice, request, and offer of indemnity, has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Registered Owners of a majority in principal amount of the Bonds; it being understood and intended that no one or more Registered Owner of Bond shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Resolution to affect, disturb, or prejudice the rights of any other Registered Owner of Bonds, or to obtain or to seek to obtain priority or preference over any other Registered Owner, or to enforce any right under the Resolution, except in the manner provided and for the equal and ratable benefit of all the Registered Owners of Bonds.

The Registered Owners of a majority in principal amount of the Outstanding Bonds shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that:

(1) such direction shall not be in conflict with any rule of law or the Resolution,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Registered Owners not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

DEFEASANCE

DISCHARGE OF INDEBTEDNESS

If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of all Bonds, the principal of or redemption price, if applicable, and interest due or to become due thereon, if applicable, at the times and in the manner stipulated therein and in the Resolution, or such Bonds shall have been deemed to have been paid as provided in the Supplemental Resolution authorizing a Series of Bonds, then the pledge of any Pledged Revenues, and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the University to the Registered Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the University to be prepared and filed with the University and, upon the request of the University, shall execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the University all

moneys or securities held by it pursuant to the Resolution which are not required for the payment of principal or redemption price, if applicable, on Bonds.

Bonds or interest installments the payment or redemption for which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail to the Registered Owners of such Bonds, notice of redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or government securities, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest on said Bonds taxable under the Code, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Registered Owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, or redemption price, as applicable and interest due and to become due if applicable on the Bonds.

APPENDIX E

PROPOSED FORM OF

CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by Boise State University (the “*Issuer*”) in connection with the issuance of its \$_____ General Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”) and \$_____ Taxable General Revenue Bonds, Series 2010B (Build America Bonds—Issuer Subsidy) (the “*Series 2010B Bonds*” and, collectively with the Series 2010A Bonds, the “*Bonds*”). The Bonds are being issued pursuant to a Resolution Providing for the issuance General Revenue Bonds, adopted September 17, 1992, as supplemented and amended, including by a Supplemental Resolution adopted _____, 2010 (the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means the financial information and operating data described in *Exhibit I*.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns. Initially, U.S. Bank National Association is appointed as the Dissemination Agent pursuant to the Dissemination Agency Agreement dated the date hereof, between the Issuer and U.S. Bank National Association.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Material Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

Material Events Disclosure means dissemination of a notice of a Material Event as set forth in Section 5.

MSRB means the Municipal Securities Rulemaking Board.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

SID means the public or private repository designated by the State as the state information depository and recognized as such by the Commission for purposes of the Rule.

State means the State of Idaho.

Undertaking means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are as follows:

APRIL 1
OF THE YEAR

PRINCIPAL
AMOUNT

CUSIP
NUMBER

\$

The Final Official Statement relating to the Bonds is dated _____, 2010 (the “*Final Official Statement*”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA and to the SID, if any, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State, with respect to any SID, at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA and the SID, if any) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner Material Events Disclosure to EMMA and to the SID, if any, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State, with respect to any SID, at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. DUTY TO UPDATE SID. The Issuer shall determine, in the manner it deems appropriate, the name and address of the then existing SID each time it is required to file information therewith.

7. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA and to the SID, if any, of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Issuer to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

8. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by resolution or ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

- (a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Resolution at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Material Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

9. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice in a timely manner if this Section is applicable to EMMA and to the SID, if any.

10. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

If a SID has been designated by the State, the Issuer shall be obligated to provide information for purposes of this Agreement to such SID only to the extent required by the laws of the State.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA and the SID, if any.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

Dated the date first above written.

BOISE STATE UNIVERSITY

By _____
Vice President for Finance and
Administration

Address: 1910 University Drive
Boise, Idaho 83725

EXHIBIT I**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS**

“Annual Financial Information” means financial information and operating data of the type contained in the Official Statement under the following captions: “SECURITY FOR THE SERIES 2010 BONDS—Historical Revenues Available for Debt Service,” “DEBT SERVICE REQUIREMENTS” and “APPENDIX B—Schedule of Student Fees,” exclusive of Audited Financial Statements.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA and to the SID, if any, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the SID, if any, or the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA and to the SID, if any, by 180 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with Government Accounting Standards Board principles. Audited Financial Statements will be submitted to EMMA and to the SID, if any within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II**EVENTS WITH RESPECT TO THE BONDS
FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

[TO BE DATED CLOSING DATE]

Re:

\$ _____

Boise State University
General Revenue Bonds,
Series 2010A

\$ _____

Boise State University
Taxable General Revenue Bonds,
Series 2010B
(Build America Bonds—Issuer Subsidy)

We hereby certify that we have examined certified copy of the proceedings of the Board of Trustees (the “*Board*”) of Boise State University, an institution of higher education and a body politic and corporate of the State of Idaho (the “*University*”), including certified copy of the Supplemental Resolution adopted by the Board on _____, 2010 (the “*Supplemental Resolution*”), authorizing the issuance by the University of its \$_____ General Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”) and \$_____ Taxable General Revenue Bonds, Series 2010B (Build America Bonds—Issuer Subsidy) (the “*Series 2010B Bonds*” and, collectively with the Series 2010A Bonds, the “*Series 2010 Bonds*”). The Series 2010 Bonds are issued and secured under the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as supplemented and amended, including by the Supplemental Resolution.

The Series 2010A Bonds are dated as of their date of original issuance and delivery and mature on April 1 of each of the years and in the amounts and bear interest as follows:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

The Series 2010B Bonds are dated as of their date of original issuance and delivery and mature on April 1 of each of the years and in the amounts and bear interest as follows:

MATURITY DATE (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

The Series 2010 Bonds are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Series 2010 Bonds and in the Resolution. The Series 2010 Bonds are issuable as fully registered bonds, without coupons, in the denomination of \$5,000 or any whole multiple thereof.

The Series 2010 Bonds are being issued under the authority of Title 33, Chapter 38 Idaho Code, as amended (the “Act”), for the purpose of financing a portion of the cost of acquisition and construction of a College of Business and Economics building and paying costs of issuance of the Series 2010 Bonds.

Based on such examination, we are of the opinion that such proceedings show lawful authority for the issuance of the Series 2010 Bonds under the laws of the State of Idaho now in force and that:

(1) The Board has the power under the Act to adopt the Resolution on behalf of the University and the University has the authority to issue the Series 2010 Bonds, and the Resolution has been duly and lawfully adopted by the Board, is in full force and effect and is valid and binding upon the University and is enforceable in accordance with its terms (except (i) as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights generally or usual equity principles in the event equitable remedies are sought and (ii) to the extent that the obligations of the University under the Resolution are subject to the exercise in the future by the State of Idaho and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the power delegated to it by the federal constitution), and no other authorization for the Resolution is required.

(2) The Resolution creates the valid pledge that it purports to create of the Pledged Revenues (as defined in the Resolution), moneys, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

(3) The Series 2010 Bonds are valid and binding general obligations of the University (subject to the limitations contained in, and application of the Pledged Revenues as provided in, the Resolution), enforceable in accordance with their terms

(except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies are sought) and the terms of the Resolution, and the Series 2010 Bonds are entitled to the benefits of the Resolution and the Act, and the Series 2010 Bonds have been duly and validly authorized and issued in accordance with law and the Resolution.

(5) All actions, conditions and things required by the constitution and laws of the State of Idaho to happen, exist and be performed precedent to the issuance and sale of the Series 2010 Bonds have been complied with.

(6) Subject to the University's compliance with certain covenants, interest on the Series 2010A Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, and (iii) is not taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Series 2010A Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2010A Bonds. Ownership of the Series 2010A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2010A Bonds.

(7) The Series 2010A Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

(8) Under present law, interest on the Series 2010B Bonds is not excludable from gross income of the owners thereof for federal income tax purposes. Ownership of the Series 2010B Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Series 2010B Bonds.

(9) Subject to the University's compliance with certain covenants, under the laws of the State of Idaho as presently enacted and construed, interest on the Series 2010 Bonds is not subject to the income tax or the franchise tax imposed by the State of Idaho under the Idaho Income Tax Act; *provided however* that we express no opinion concerning whether interest on the Series 2010 Bonds held by a S Corporation is subject to the income tax or the franchise tax imposed by the State of Idaho. Failure of the University to comply with such requirements could result in interest on the Series 2010 Bonds being subject to the income tax and franchise tax under the Idaho Income Tax Act retroactively to the date of the issuance of the Series 2010 Bonds. Ownership or disposition of the Series 2010 Bonds may result in other Idaho tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2010 Bonds. Bond counsel has expressed no opinion with respect to taxation under any other provisions of Idaho law. Prospective purchasers

of the Series 2010 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

We further certify that we have examined the form of the Series 2010 Bonds prescribed by the Resolution and find the same to be in due form of law.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2010 Bonds.

In rendering this opinion, we have relied upon certificates of the University with respect to certain material facts within its knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are informing you of the following, as required under Treas. Reg. §10.35, which is contained in the rules of practice before the Internal Revenue Service, commonly known as Circular 230. The advice contained in this letter is not intended or written by Chapman and Cutler LLP or any of its attorneys to be used, and it cannot be used by any taxpayer, including the University, for the purpose of avoiding penalties that may be imposed on the taxpayer. The advice was written to support the promotion or marketing of the Series 2010 Bonds. Each taxpayer other than the University should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Chapman and Cutler LLP imposes no restrictions or limitations on disclosing the content of this letter or of any details of the structure of the Series 2010 Bonds or on the tax treatment or tax structure of the Series 2010 Bonds and the use of proceeds thereof.

Respectfully submitted,

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SUPPLEMENTAL RESOLUTION

Authorizing the Issuance and Sale of

Boise State University
\$_____ General Revenue Bonds,
Series 2010A

and

Boise State University
\$_____ General Revenue Bonds,
Series 2010B
(Build America Bonds–Issuer Subsidy)

ADOPTED APRIL 22, 2010

TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS	166
Section 101.	Definitions	166
Section 102.	Authority for Supplemental Resolution	167
ARTICLE II	AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2010 BONDS	167
Section 201.	Authorization of Series 2010 Bonds, Principal Amount, Designation and Series;	167
Section 202.	Finding and Purpose	167
Section 203.	Issue Date	168
Section 204.	Series 2010 Bonds	168
Section 205.	Sale of Series 2010 Bonds	168
Section 206.	Execution and Delivery of Series 2010 Bonds	169
Section 207.	Redemption of Series 2010 Bonds	169
Section 208.	Form of Series 2010 Bond	172
Section 209.	Submittal to Attorney General	172
Section 210.	Book-Entry-Only System	172
Section 211.	Successor Securities Depository	173
ARTICLE III	CREATION OF ACCOUNTS, APPLICATION OF BOND PROCEEDS	174
Section 301.	Creation of Accounts	174
Section 302.	Application of Proceeds of Series 2010 Bonds; Transfer of Proceeds of the Series 2007A Bonds	174
ARTICLE IV	MISCELLANEOUS	174
Section 401.	Other Actions With Respect to the Series 2010 Bonds	174
Section 402.	Partial Invalidity	175
Section 403.	Conflicting Resolutions; Effective Date	175
EXHIBIT A — Form of Series 2010 Bonds		
EXHIBIT B — Form of Written Certificate and Request		

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$_____ General Revenue Bonds, Series 2010A and \$_____ Taxable General Revenue Bonds, Series 2010B (Build America Bonds–Issuer Subsidy) of Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement and a Continuing Disclosure Undertaking; and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2010 Bonds.

* * * * * *

WHEREAS, Boise State University (the “*University*”) is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the constitution and laws of the State of Idaho; and

WHEREAS, the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), is authorized, pursuant to Title 33, Chapter 38, Idaho Code, to issue bonds for “projects,” as defined in such act; and

WHEREAS, on September 17, 1992, the Board adopted a Resolution Providing for the Issuance of General Revenue Bonds, as supplemented and amended (the “*Resolution*”); and

WHEREAS, the Board has determined to issue its \$_____ General Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”) and \$_____ Taxable General Revenue Bonds, Series 2010B (Build America Bonds–Issuer Subsidy) (the “*Series 2010B Bonds*” and, collectively with the Series 2010A Bonds, the “*Series 2010 Bonds*”) pursuant to Title 33, Chapter 38, Idaho Code, and Title 57, Chapter 5, Idaho Code (collectively, the “*Act*”), and the Resolution, for the purpose of financing a portion of the cost of acquisition and construction of a College of Business and Economics building and related facilities (the “*Series 2010 Project*”) and paying costs of issuance of the Series 2010 Bonds;

WHEREAS, in satisfaction of Section 33-3805 of the Act, the Board has determined that the Series 2010 Project is necessary for the proper operation of the University and is economically feasible;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions. (a) Certain terms are defined in the preambles hereto. Except as provided in the preambles and subparagraph (b) of this Section, all capitalized terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“Bond Purchase Agreement” means the Bond Purchase Agreement dated April 22, 2010, between the Board and the Underwriter, pursuant to which the Series 2010 Bonds are to be sold.

“Bond Register” means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Series 2010 Bonds.

“Book-Entry System” means the book-entry system of registration of the Series 2010 Bonds described in Section 210 of this Supplemental Resolution.

“Cede & Co.” means Cede & Co., as nominee of DTC.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking with respect to the Series 2010 Bonds.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“Representation Letter” means the Blanket Representations Letter from the University to DTC dated June 18, 1999.

“Resolution” means the Resolution Providing for the Issuance of General Revenue Bonds, adopted by the Board on September 17, 1992, as previously amended and supplemented, and as further amended and supplemented by this Supplemental Resolution.

“Securities Depository” means DTC or any successor Securities Depository appointed pursuant to Section 211.

“Series 2007A Bonds” means the University’s General Revenue and Refunding Bonds, Series 2010A.

“*Series 2007A Project Account*” means the account by such name created with respect to the Series 2007A Bonds.

“*Series 2010A Project Account*” means the account created by Section 302 of this Supplemental Resolution.

“*Series 2010B Project Account*” means the account created by Section 302 of this Supplemental Resolution.

“*Series 2010 Project Accounts*” means, collectively the Series 2010A Project Account and the Series 2010B Project Account.

“*Trustee*” means U.S. Bank National Association, Salt Lake City, Utah, and its successors and permitted assigns under the Resolution, as paying agent, trustee, and registrar for the Series 2010 Bonds.

“*Underwriter*” means Barclays Capital Inc.

The terms “*hereby*,” “*hereof*,” “*hereto*,” “*herein*,” “*hereunder*,” and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

Section 102. Authority for Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2010 BONDS

Section 201. Authorization of Series 2010 Bonds, Principal Amount, Designation and Series. In order to provide funds to finance the Cost of Acquisition and Construction of the Series 2010 Project and pay costs of issuance of the Series 2010 Bonds, and in accordance with and subject to the terms, conditions and limitations established in the Resolution, two Series of General Revenue Bonds are hereby authorized to be issued in the aggregate principal amounts of \$_____ and \$_____, respectively. Such Series of Bonds shall be designated “General Revenue Bonds, Series 2010A” and “Taxable General Revenue Bonds, Series 2010B (Build America Bonds–Issuer Subsidy),” respectively. The Series 2010 Bonds shall be issued only in fully-registered form, without coupons.

The Series 2010 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2010 Bonds are secured by the pledge of the Pledged Revenues under Section 5.1 of the Resolution, equally and ratably with all Bonds issued under the Resolution.

Section 202. Finding and Purpose. The Board hereby finds, determines and declares that (i) in satisfaction of Section 33-3805 of the Act, the Series 2010 Project is necessary for the proper operation of the University and is economically feasible, and (ii) the requirements of

Article VII of the Resolution will have been complied with upon the delivery of the Series 2010 Bonds.

Section 203. Issue Date. The Series 2010 Bonds shall be dated the date of their original issuance and delivery.

Section 204. Series 2010 Bonds. (a) The Series 2010A Bonds shall bear interest at the rates and mature on the dates and in the principal amounts as follows:

APRIL 1 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
------------------------	--------------------	------------------

(b) The Series 2010B Bonds shall bear interest at the rates and mature on the dates and in the principal amounts as follows:

APRIL 1 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
------------------------	--------------------	------------------

(c) The Series 2010 Bonds shall bear interest from their dated date, payable on October 1, 2010, and semiannually thereafter on each April 1 and October 1.

Section 205. Sale of Series 2010 Bonds. The Series 2010 Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate purchase price equal to (i) with respect to the Series 2010A Bonds, \$_____, representing the principal amount of the Series 2010A Bonds, plus [net] original issuance premium of \$_____, and (ii) with respect to the Series 2010B Bonds, \$_____, representing the principal amount of the Series 2010B Bonds, on the terms and conditions set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, on behalf

of the Board and the University, the Bond Purchase Agreement, in the form presented at this meeting.

The use of the final Official Statement (the “*Official Statement*”) of the University in connection with the sale of the Series 2010 Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such Official Statement and deliver such Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2010 Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated April 8, 2010, by the Underwriter and the actions of the University, including the certification by the Bursar deeming the Preliminary Official Statement final pursuant to Rule 15c2-12 of the Securities Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended (“*Rule 15c2-12*”) in connection with the offering of the Series 2010 Bonds, are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Series 2010 Bonds that the University shall have executed and delivered the Continuing Disclosure Undertaking. The Continuing Disclosure Undertaking is hereby ratified and approved in all respects, and the Bursar is hereby authorized to execute and deliver the Continuing Disclosure Undertaking in substantially the form set forth in APPENDIX E to the Official Statement.

The Bursar of the University, the President of the Board (the “*President*”), and the Secretary of the Board (the “*Secretary*”) are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

Section 206. Execution and Delivery of Series 2010 Bonds. The Series 2010 Bonds shall be manually executed on behalf of the University by the President of the Board and the Bursar of the University, and attested by the Secretary of the Board. The Series 2010 Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution.

Section 207. Redemption of Series 2010 Bonds. (a) [The Series 2010A Bonds maturing on or before April 1, 2020, shall not be subject to call or redemption prior to their stated dates of maturity. On April 1, 2020 or on any date thereafter, at the election of the University, the Series 2010A Bonds maturing on or after April 1, 2021, shall be subject to redemption, in whole or in part, as selected by the University, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a price of 100% of the principal amount of the Series 2010A Bonds to be redeemed, plus accrued interest to the redemption date.]

[(b) On April 1, 2020 or on any date thereafter, at the election of the University, the Series 2010B Bonds maturing on or after April 1, 2021, shall be subject to redemption, in whole or in part, as selected by the University, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a price of 100% of the principal amount of the Series 2010B Bonds to be redeemed, plus accrued interest to the redemption date.]

[(c) The Series 2010B Bonds maturing on April 1, _____ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a redemption price equal to 100% of the principal amount of the Series 2010B Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
------------------------	--------------------------------

*

*

Stated maturity.]

[(d) The Series 2010B Bonds are subject to redemption prior to maturity at the option of the University, in whole or in part on any Business Day prior to April 1, 2020, at the Make-Whole Redemption Price. The “*Make-Whole Redemption Price*” is the greater of (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the “Treasury Rate” (defined below) plus ____ basis points, plus, in each case, accrued and unpaid interest on the Series 2010B Bonds to be redeemed on the redemption date.

For purpose of determining the Make-Whole Redemption Price, the following definitions apply:

“*Treasury Rate*” means, with respect to any redemption date for a particular Series 2010B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

“*Comparable Treasury Issue*” means, with respect to any redemption date for a particular Series 2010B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Series 2010B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2010B Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular Series 2010B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the University.

“Reference Treasury Dealer” means each of the four firms, specified by the University from time to time, that are primary United States Government securities dealers in the City of New York (each a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the University will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2010B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such redemption date.

[(f) The Series 2010B Bonds are subject to redemption prior to their maturity, on any Business Day prior to April 1, 2020, at the option of the University, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the *“Extraordinary Optional Redemption Price”*) equal to the greater of (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360- day year consisting of 12 30-day months, at the Treasury Rate, plus ____ basis points; plus, in each case, accrued interest on the Series 2010B Bonds to be redeemed to the redemption date.

For purposes of determining the Extraordinary Optional Redemption Price, *“Treasury Rate,”* shall have the meanings described above under the caption, “Make-Whole Redemption.” An *“Extraordinary Event”* will have occurred if a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to “Build America Bonds”) pursuant to which the University’s 35% cash subsidy payment from the United States Treasury is reduced or eliminated. At the request of the Trustee, the redemption price of the Series 2010B Bonds to be redeemed at the option of the University will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the University at the University’s expense to calculate such redemption price. The Trustee and the University may

conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.]

(g) Each notice of redemption shall be given as provided in Section 4.3(A) of the Resolution, and shall include the information required with respect redemption notices provided pursuant to 4.3(C)(1) of the Resolution. In addition, with respect to any notice of optional redemption of Series 2010 Bonds, unless upon the giving of such notice such Series 2010 Bonds shall be deemed to have been paid within the meaning of Article XII of the Resolution, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the Series 2010 Bonds to be redeemed, and that if such money shall not have been so received, said notice shall be of no force and effect and the University shall not be required to redeem such Series 2010 Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Section 208. Form of Series 2010 Bond. The Series 2010 Bonds are hereby authorized to be issued in the form set forth in Exhibit A attached hereto and incorporated herein by this reference.

Section 209. Submittal to Attorney General. There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Board, a certified copy of this Supplemental Resolution, together with the proceedings relating to their adoption, in order that the Attorney General may examine and pass upon the validity of the Series 2010 Bonds and the regularity of such proceedings, in the manner and with the effect specified in the Act.

Section 210. Book-Entry-Only System. (a) The Series 2010 Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2010 Bonds, except in the event that the Trustee issues Replacement Bonds, as provided below. It is anticipated that during the term of the Series 2010 Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2010 Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below. So long as any of the Series 2010 Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on the Series 2010 Bonds and all notices with respect to the Series 2010 Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the Series 2010 Bonds, and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the book-entry system of the Securities Depository, the University shall execute, and the Trustee shall authenticate and deliver, one or more Series 2010 Bond certificates (the “*Replacement Bonds*”) to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial

Owners' interests in the Series 2010 Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2010 Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to Series 2010 Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2010 Bonds;

(iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2010 Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2010 Bonds.

(d) The Representation Letter previously executed and delivered by the University to DTC is for the purpose of effectuating the initial Book-Entry System for the Series 2010 Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of this Bond Resolution, which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of the Resolution, the terms of the Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 211. Successor Securities Depository. In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the Trustee, with the written consent of the University, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2010 Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2010

Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

CREATION OF ACCOUNTS, APPLICATION OF BOND PROCEEDS

Section 301. Creation of Accounts. There are hereby established in the Construction Fund a Project Account designated as “Series 2010A Project Account” and a Project Account designated as “Series 2010B Project Account,” to be held by the University.

Section 302. Application of Proceeds of Series 2010 Bonds; Transfer of Proceeds of the Series 2007A Bonds. (b) The proceeds of the sale of the Series 2010A Bonds (net of a \$_____ fee paid to the Underwriter for its services with respect to the Series 2010A Bonds), together with the proceeds of the Series 2007A to be transferred pursuant to paragraph (b), shall be deposited into the Series 2010A Project Account for the payment of costs of issuance of the Series 2010A Bonds and a portion of the Costs of Acquisition and Construction of the Series 2010 Project. The proceeds of the sale of the Series 2010B Bonds (net of a \$_____ fee paid to the Underwriter for its services with respect to the Series 2010B Bonds) shall be deposited into the Series 2010B Project Account for the payment of costs of issuance of the Series 2010B Bonds and a portion of the Costs of Acquisition and Construction of the Series 2010 Project.

(b) The proceeds of the Series 2007A Bonds that are on deposit in the Series 2007A Project Account are hereby authorized to be transferred to the Series 2010A Project Account, on or about the date of issuance of the Series 2010 Bonds, and to be used to pay a portion of the Costs of Acquisition and Construction of the Series 2010 Project. The University shall not apply proceeds of the Series 2010 Bonds to the payment of Costs of Acquisition and Construction of the Series 2010 Project (other than costs of issuance of the Series 2010 Bonds) until the proceeds of the Series 2007A Bonds, including any interest earnings thereon, have been expended.

Before any payment is made from the Series 2010 Project Accounts, the University shall execute a Written Certificate as required by Section 5.4(E) or 5.4(F), as applicable, of the Resolution.

ARTICLE IV

ARTICLE IV

MISCELLANEOUS

Section 401. Other Actions With Respect to the Series 2010 Bonds. The officers and employees of the University shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action

necessary in conformity with the Act to carry out the issuance of the Series 2010 Bonds, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2010 Bonds. All actions heretofore taken in connection therewith are hereby ratified, approved and consummated. If the President of the Board or the Bursar shall be unavailable to execute the Series 2010 Bonds or the other documents that they are hereby authorized to execute, the same may be executed by the President, the Bursar, or any Vice President of the Board or the University.

Section 402. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in the Resolution should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the Resolution, this Supplemental Resolution or the Series 2010 Bonds, but the holders of the Series 2010 Bonds shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 403. Conflicting Resolutions; Effective Date. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

ADOPTED AND APPROVED this 22nd day of April, 2010.

BOARD OF TRUSTEES OF BOISE STATE
UNIVERSITY

President

ATTEST:

Secretary

[SEAL]

EXHIBIT A**[FORM OF SERIES 2010 BONDS]**

R-_____

\$_____

**UNITED STATES OF AMERICA
STATE OF IDAHO****BOISE STATE UNIVERSITY
[TAXABLE] GENERAL REVENUE BONDS,
SERIES 2010[A][B (BUILD AMERICA BONDS–ISSUER SUBSIDY)]**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	April 1, ____	_____, 2010	_____

Registered Owner:

Principal Amount: ----- DOLLARS -----

KNOW ALL MEN BY THESE PRESENTS that Boise State University, a body politic and corporate and an institution of higher education of the State of Idaho (the “*University*”), for value received, hereby promises to pay, from the Bond Fund (as defined in the hereinafter defined Resolution), to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on October 1, 2010, and semiannually on each April 1 and October 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

THIS BOND IS AN OBLIGATION OF THE UNIVERSITY PAYABLE SOLELY IN ACCORDANCE WITH THE TERMS HEREOF AND IS NOT AN OBLIGATION, GENERAL, SPECIAL, OR OTHERWISE OF THE STATE OF IDAHO, DOES NOT CONSTITUTE A DEBT, LEGAL, MORAL, OR OTHERWISE, OF THE STATE OF IDAHO, AND IS NOT ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT HEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE REVENUES, FEES, AND CHARGES PLEDGED THERETO IN THE RESOLUTION. The principal of, interest on, and redemption price of the Bonds is payable solely from Pledged Revenues, which consist principally of revenues from certain student fees and enterprises, as more particularly set forth in the Resolution. Pursuant to the Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund to provide for the prompt payment of the principal of, interest on, and redemption price of the Bonds. For a more particular description of the Bond

Fund, the revenues to be deposited therein, and the nature and extent of the security for the Bonds, reference is made to the provisions of the Resolution.

Principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall appear on the registration books of the University (the “*Bond Register*”) maintained by U.S. Bank National Association, Salt Lake City, Utah (the “*Trustee*”). Interest shall be paid to the registered owner whose name appears on the Bond Register on the 15th day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid to such registered owner on the due date, by check or draft of the Trustee or by wire or other transfer, at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.

This Bond is one of the [Taxable] General Revenue Bonds, Series 2010[A][B] (Build America Bonds–Issuer Subsidy)] (the “*Series 2010[A][B] Bonds*”), of the University issued in the aggregate principal amount of \$_____ for the purpose of financing a portion of the cost of acquisition and construction of a College of Business and Economics building and paying costs of issuance of the Series 2010[A][B] Bonds. The Series 2010[A][B] Bonds are issued pursuant to and in full compliance with the constitution and statutes of the State of Idaho, particularly Title 57, Chapter 5, Idaho Code, and a Resolution Providing for the Issuance of General Revenue Bonds, duly adopted and authorized by the Board of Trustees of the University (the “*Board*”) on September 17, 1992, as previously supplemented and amended, and as further supplemented by a Supplemental Resolution adopted by the Board on April 22, 2010, authorizing the issuance of the Series 2010 Bonds (collectively, the “*Resolution*”).

[[Except as provided below,] The Series 2010[A][B] Bonds maturing on or before April 1, 2020, shall not be subject to call or redemption prior to their stated dates of maturity. On April 1, 2020 or on any date thereafter, at the election of the University, the Series 2010[A][B] Bonds maturing on or after April 1, 2021, shall be subject to redemption, in whole or in part, as selected by the University, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a price of 100% of the principal amount of the Series 2010[A][B] Bonds to be redeemed, plus accrued interest to the redemption date.]

[The Series 2010B Bonds maturing on April 1, _____ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a redemption price equal to 100% of the principal amount of the Series 2010B Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:

APRIL 1
OF THE YEAR

MANDATORY
REDEMPTION AMOUNT

*

* Stated maturity.]

The Series 2010B Bonds are subject to redemption prior to maturity at the option of the University, in whole or in part on any Business Day prior to April 1, 2020, at the Make-Whole Redemption Price. The “*Make-Whole Redemption Price*” is the greater of (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the “Treasury Rate” (defined below) plus ___ basis points, plus, in each case, accrued and unpaid interest on the Series 2010B Bonds to be redeemed on the redemption date.

For purpose of determining the Make-Whole Redemption Price, the following definitions apply:

“*Treasury Rate*” means, with respect to any redemption date for a particular Series 2010B Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

“*Comparable Treasury Issue*” means, with respect to any redemption date for a particular Series 2010B Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the Series 2010B Bond to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2010B Bonds to be redeemed.

“*Comparable Treasury Price*” means, with respect to any redemption date for a particular Series 2010B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means one of the Reference Treasury Dealers appointed by the University.

“Reference Treasury Dealer” means each of the four firms, specified by the University from time to time, that are primary United States Government securities dealers in the City of New York (each a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the University will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2010B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third Business Day preceding such redemption date.]

The Series 2010B Bonds are subject to redemption prior to their maturity, on any Business Day prior to April 1, 2020, at the option of the University, in whole or in part, upon the occurrence of an Extraordinary Event, at a redemption price (the *“Extraordinary Optional Redemption Price”*) equal to the greater of (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of 12 30-day months, at the Treasury Rate, plus ____ basis points; plus, in each case, accrued interest on the Series 2010B Bonds to be redeemed to the redemption date.

For purposes of determining the Extraordinary Optional Redemption Price, *“Treasury Rate,”* shall have the meanings described above under the caption, *“Make-Whole Redemption.”* An *“Extraordinary Event”* will have occurred if a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to *“Build America Bonds”*) pursuant to which the University’s 35% cash subsidy payment from the United States Treasury is reduced or eliminated. At the request of the Trustee, the redemption price of the Series 2010B Bonds to be redeemed at the option of the University will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the University at the University’s expense to calculate such redemption price. The Trustee and the University may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

The Series 2010[A][B] Bonds are initially issued in the form of a separate certificated, fully-registered Bond for each maturity and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (*“DTC”*).

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE UNIVERSITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Notice of redemption shall be given by mailing notice to the registered owner thereof not less than 35 days nor more than 60 days prior to the redemption date at the address shown on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Provided that funds for the redemption price, together with interest to the redemption date, are on deposit at the place of payment at such time, the Series 2010[A][B] Bonds shall cease to accrue interest on the specified redemption date and shall not be deemed to be outstanding as of such redemption date.

Upon any partial redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Bond or shall make an appropriate notation with respect to this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Series 2010[A][B] Bonds shall not be transferable or exchangeable except as set forth in the Resolution. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Series 2010 Bond, of the same denomination, maturity, and interest rate will be issued to the transferee in exchange therefor.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the other Series 2010[A][B] Bonds of this issue does not violate any constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed by the President of the Board and countersigned and attested by the Bursar of the University, and a facsimile or original of the official seal of the University to be imprinted hereon, as of this ____ day of May, 2010.

BOISE STATE UNIVERSITY

By _____
President,
Board of Trustees

By _____
Bursar

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Boise State University [Taxable] General Revenue Bonds, Series 2010[A][B] (Build America Bonds–Issuer Subsidy)], described in the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signature

Date of Authentication: _____.

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face the within Bond shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right	(Cust) (Minor)
		of survivorship and not as	under Uniform Transfers to Minors Act of
		tenants in common	_____
			(State)

Additional abbreviations may also be used
though not in the list above.

For value received _____ hereby sells,
assigns and transfers unto

INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of BOISE STATE UNIVERSITY, and hereby irrevocably constitutes and appoints
_____ Attorney to register the transfer of said Bond on
the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ Signature: _____

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

VALIDATION CERTIFICATE

I hereby certify that I have examined a certified copy of the record of proceedings taken preliminary to and in the issuance of the within bond; that such proceedings and such bond conform to and show lawful authority for the issuance thereof in accordance with the provisions of Title 33, Chapter 38, Idaho Code, as amended. Such bond has been issued in accordance with the Constitution and laws of the State of Idaho and shall in any suit, action or proceeding involving its validity be conclusively deemed to be fully authorized by Title 33, Chapter 38, Idaho Code, and to have been issued, sold, executed, and delivered in conformity with the Constitution and laws of the State of Idaho and to be valid and binding and enforceable in accordance with its terms, and such bond is incontestable for any cause.

Hon. Lawrence Wasden
Attorney General

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BOISE STATE UNIVERSITY
\$_____ GENERAL REVENUE BONDS,
SERIES 2010A

and

BOISE STATE UNIVERSITY
\$_____ GENERAL REVENUE BONDS,
SERIES 2010B
(BUILD AMERICA BONDS—ISSUER SUBSIDY)

BOND PURCHASE AGREEMENT

April 22, 2010

Boise State University
Attn: Stacy Pearson, Vice President
for Finance and Administration
1910 University Drive
Boise, Idaho 83725

Ladies and Gentlemen:

The undersigned, Barclays Capital Inc., as underwriter (the “*Underwriter*”), hereby offers to enter into this Bond Purchase Agreement (the “*Purchase Agreement*”) with Boise State University (the “*University*”), which, upon the acceptance by the University of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon the University and the Underwriter.

This offer is made subject to your acceptance and approval on or before 5:00 p.m. Mountain Time on the date hereof, and until so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the University by the Underwriter at any time prior to the execution and acceptance hereof by the University. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter defined Resolution.

ARTICLE I

Section 1.1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the University, and the University hereby agrees to sell to the Underwriter, all, but not less than all, of the University’s \$_____ General Revenue Bonds, Series 2010A (the

“*Series 2010A Bonds*”) and \$_____ Taxable General Revenue Bonds, Series 2010B (Build America Bonds–Issuer Subsidy) (the “*Series 2010B Bonds*” and, collectively with the Series 2010A Bonds, the “*Bonds*”), for a total purchase price of \$_____, representing the principal amount of the Bonds, plus [net] original issue premium of \$_____ (the “*Purchase Price*”). In consideration for its services, the University agrees to pay to the Underwriter a fee of \$_____ (the “*Underwriter’s Fee*”).

Section 1.2. The Bonds. The Bonds are being issued for the purpose of financing a portion of the cost of acquisition and construction of a College of Business and Economics building and paying costs of issuance of the Bonds.

The Bonds shall be dated as of their date of delivery, shall bear interest at the rates, mature in the amounts and on the dates as set forth in SCHEDULE I hereto, and shall be subject to redemption prior to maturity as set forth in the Supplemental Resolution (defined below). The Bonds shall be issued pursuant to the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a Supplemental Resolution adopted April 22, 2010 (the “*Supplemental Resolution*” and, together with the Master Resolution, the “*Resolution*”) by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), substantially in the form heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon between us. The Series 2010A Bonds shall be issued as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986 (the “*Code*”). The District will designate the Series 2010B Bonds as “build America bonds” under Section 54AA(d) and as “qualified bonds” under Section 54AA(g) of the Code.

The Bonds will be payable from and secured by a pledge of certain revenues of the University (as defined in the Resolution, the “*Pledged Revenues*”), on a parity with all bonds now outstanding under the Resolution (collectively, the “*Outstanding Parity Bonds*”) and any additional bonds hereafter issued under the Resolution.

Section 1.3. Official Statement; Continuing Disclosure. (a) The Bonds shall be offered pursuant to an Official Statement of even date herewith (which, together with the cover page and all appendices thereto, and with such changes therein and supplements thereto which are consented to in writing by the Underwriter is herein called the “*Official Statement*”).

(b) The University has previously deemed the Official Statement “final” as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (“*Rule 15c2-12*”), and the University hereby authorizes the use of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. The University agrees to provide to the Underwriter, on or prior to the Closing Date, and in any event not later than seven business days after the date hereof, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

(c) If at any time prior to 25 days after the “end of the underwriting period” (as defined below), any event shall occur, or any preexisting fact shall become known, of which the University has knowledge which might or would cause the Official Statement as then supplemented or amended to contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the University, at its expense, shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the University will (i) supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and (ii) provide the Underwriter with such certificates and legal opinions as shall be requested by the Underwriter in order to evidence the accuracy and completeness of the Official Statement as so supplemented or amended. If the Official Statement is so supplemented or amended prior to the Closing (defined below), such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Agreement by written notification delivered to the University by the Underwriter at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

(d) For purposes of this Purchase Agreement, the “end of the underwriting period” shall mean the day of the Closing, or, if the University has been notified in writing by the Underwriter on or prior to the date of the Closing that the “end of the underwriting period” within the meaning of Rule 15c2-12 will not occur on the date of the Closing, such later date on which the “end of the underwriting period” within such meaning has occurred. In the event that the University has been given notice pursuant to the preceding sentence that the “end of the underwriting period” will not occur on the date of the Closing, the Underwriter agrees to notify the University in writing of the date it does occur as soon as practicable following the “end of the underwriting period” for all purposes of Rule 15c2-12; *provided, however*, that if the Underwriter has not otherwise so notified the University of the “end of the underwriting period” by the 90th day after the Closing, then the “end of the underwriting period” shall be deemed to occur on such 90th day unless otherwise agreed to by the University.

(e) In order to enable the Underwriter to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 in connection with the offering of the Bonds, the University covenants and agrees with the Underwriter that it will execute and deliver a Continuing Disclosure Undertaking with respect to the Bonds (the “*Continuing Disclosure Undertaking*” and, collectively with this Purchase Contract and the Resolution, the “*Bond Documents*”) in substantially the form attached as APPENDIX E to the Preliminary Official Statement dated April 8, 2010 (the “*Preliminary Official Statement*”), on or before the Closing Date.

Section 1.4. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices set forth on the inside cover page of the Official Statement. The Underwriter may, however, change such initial offering prices or yields as it may deem necessary in connection with the marketing of the Bonds and offer and sell the Bonds

to certain dealers (including dealers depositing the Series 2010 Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth on the inside cover page of the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market and (b) to discontinue such stabilizing, if commenced, at any time without prior notice.

Section 1.5. Closing. The “Closing Date” shall be May 13, 2010, or such other date as the University and the Underwriter shall mutually agree upon. The delivery of and payment for the Bonds and the other actions described in Sections 1.5 and 3.1 of this Purchase Agreement are referred to herein as the “Closing.” The Closing shall take place at the offices of Chapman and Cutler LLP in Salt Lake City, Utah. On the Closing Date, the University will deliver the Bonds or cause the Bonds to be delivered to or for the account of The Depository Trust Company (“DTC”), duly executed and authenticated. The University will also deliver to the Underwriter at the Closing the other documents described below and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1.1 hereof in federal funds payable to the order of the University. The Bonds will be registered in the name of Cede & Co., as nominee of DTC.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY

To induce the Underwriter to enter into this Purchase Agreement, the University represents and warrants to the Underwriter as follows:

Section 2.1. The University has been duly organized and is validly existing under the Constitution and laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Purchase Agreement and the Official Statement, including the execution, delivery and approval of all documents and agreements referred to herein or therein.

Section 2.2. The execution and delivery of the Bonds and the Bond Documents, the adoption of the Resolution, and compliance with the provisions on the University’s part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the University is a party or to which the University is or to which any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the University to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Resolution.

Section 2.3. (a) By all necessary official action of the University taken prior to or concurrently with the acceptance hereof, the University has duly authorized (i) the adoption of the Resolution and the issuance and sale of the Bonds, (ii) the execution and delivery of, and the

performance by the University of the obligations on its part, contained in the Bonds and the Bond Documents, (iii) the distribution and use of the Preliminary Official Statement and the execution, distribution and use of the Official Statement for use by the Underwriter in connection with the public offering of the Bonds, and (iv) the consummation by it of all other transactions described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the University in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(b) This Purchase Agreement has been duly authorized, executed and delivered, the Resolution has been duly adopted, and this Purchase Agreement and the Resolution constitute the legal, valid and binding obligations of the University, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and the Continuing Disclosure Undertaking, when duly executed and delivered, will constitute legal, valid and binding obligations of the University, enforceable in accordance with its terms.

(c) The Bonds, when issued, delivered and paid for in accordance with the Resolution and this Purchase Agreement, will have been duly authorized, executed, issued and delivered by the University and will constitute the valid and binding obligations of the University, enforceable against the University in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Resolution.

(d) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Bond Documents, the issuance of the Bonds or the due performance by the University of its obligations under the Bond Documents and the Bonds, have been duly obtained.

Section 2.4. Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the University, threatened against the University: (i) affecting the existence of the University or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Bond Documents, (iv) contesting the exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes, (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the University or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Bond Documents, nor, to the best knowledge of

the University, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents.

Section 2.5. The University is not in breach of or in default under any existing constitutional provision, law, court or administrative regulation, judgment, decree or order, or any loan agreement, indenture, bond, note, resolution mortgage, lease, sublease, agreement, or other instrument to which the University is a party or by which it or its property is or may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to such extent as could have a material adverse effect on the financial condition of the University or the transactions contemplated by this Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or the Bond Documents, or would in any way adversely affect the existence or powers of the University, or would in any way adversely affect the tax-exempt status of interest on the Series 2010A Bonds or the status of the Series 2010B Bonds as “qualified bonds” under Section 54AA(g) of the Code.

Section 2.6. The Bonds and the Resolution conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions, “THE SERIES 2010 BONDS” and “SECURITY FOR THE SERIES 2010 BONDS”; the proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement and the Official Statement under the caption, “ESTIMATED SOURCES AND USES OF FUNDS.” The University has the legal authority to apply, and will apply or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2010A Bonds.

Section 2.7 The Preliminary Official Statement, as supplemented and amended through the date hereof, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the time of the University’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 1.3 of this Purchase Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 1.3 of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto to and including the date that is 25 days after the “end of the underwriting period,” the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

Section 2.8. The University will furnish such information and execute such instruments and take such action in cooperation with the Underwriter, at no expense to the University, as the Underwriter may reasonably request (a) to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (b) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the University will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the University of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

Section 2.9. The University is taking, and prior to the Closing Date will take, all action required as of the Closing Date to designate the Series 2010B Bonds as “build America bonds” under Section 54AA(d) and as “qualified bonds” under Section 54AA(g) of the Internal Revenue Code of 1986 (the “Code”); the federal interest subsidy under Section 6431 of the Code will be payable to the University or to the trustee for the Series 2010B Bonds on behalf of the University; and the University covenants to comply with the applicable procedures for claiming the credit.

Section 2.10. The University has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

Section 2.11. (a) The financial statements of, and other financial information regarding, the University in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the University as of the dates and for the periods therein set forth. The financial statements of the University have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the University’s audited financial statements included in the Preliminary Official Statement and in the Official Statement. Except as described in the Preliminary Official Statement, since June 30, 2009, there has been no material adverse change in the condition, financial or otherwise, of the University from that set forth in the audited financial statements as of and for the period ended that date; and except as described in the Preliminary Official Statement, the University, since June 30, 2009, has not incurred any material liabilities, directly or indirectly, except in the ordinary course of the University’s operations.

(b) Prior to the Closing, the University will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the University. The University will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or

incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriter.

Section 2.12. Each representation, warranty or agreement stated in any certificate signed by any officer of the University and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the University upon which the Underwriter shall be entitled to rely.

ARTICLE III

CLOSING CONDITIONS

Section 3.1. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties herein and the performance by the University of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following conditions:

(a) The representations and warranties of the University contained herein shall be true, complete and correct in all material respects at the date hereof and on the Closing Date, as if made on the Closing Date. At the time of Closing (i) the Official Statement, the Resolution and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (ii) the proceeds of sale of the Bonds shall be paid to the Trustee of the Bonds for deposit or use as described in the Official Statement. On the Closing Date, no "Event of Default" shall have occurred or be existing under the Resolution nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an Event of Default under the Resolution, nor shall the University be in default in the payment of principal of or interest on any of its obligations for borrowed money.

(b) The Underwriter shall have the right to terminate this Purchase Agreement by written notification delivered to the University by the Underwriter, if at any time on or prior to the Closing Date:

(i) the Official Statement shall have been amended, modified or supplemented without the consent of the Underwriter;

(ii) any event shall occur, or any information shall become known, which makes untrue any statement of a material fact in the Official Statement or makes an omission of a fact that should be included in the Official Statement in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading,

(iii) any material adverse change in the affairs or financial condition of the University shall have occurred since the date of this Purchase Agreement

(except for changes which the Official Statement discloses are expected to occur) that, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Idaho (the “*State*”), or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds;

(v) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the “*Securities Act*”), or that the Resolution needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “*Trust Indenture Act*”);

(vi) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds are not exempt from registration under the Securities Act, or that the Resolution is not exempt from qualification under the Trust Indenture Act;

(vii) legislation shall have been passed by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or the State Legislature, or a decision shall have been rendered by a court of the United States or of the State or by the Tax Court of the United States, or a ruling or an official statement (including a press release) or proposal shall have been made or a regulation shall have been proposed or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the University pursuant to the Resolution, or with respect to (A) federal or State taxation of interest received on securities of the general character of the Series 2010A Bonds or which would have the effect of changing, directly or indirectly, the federal or State tax consequences of receipt of interest on securities of the general character of the Series 2010A Bonds in the hands of the owners thereof, or (B) the qualification or designation of bonds such as the Series 2010B Bonds as “build America bonds” or the obligation of the U.S. Treasury to make direct payments to the issuers of

such bonds, which in either case, in the opinion of the Underwriter, would adversely affect the market price of the Bonds or the ability to enforce contracts for the sale of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated in connection herewith, or any other action or events shall have occurred which, in the judgment of the Underwriter, materially adversely affect the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which in the reasonable judgment of the Underwriter, materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(ix) a general banking moratorium shall have been established by federal, State or New York authorities, or there shall have occurred a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter), or a disruption in securities settlement, payment or clearance services shall have occurred, which in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(x) there shall have occurred any new material outbreak of hostilities (including, without limitation, an act of terrorism) or new material other national or international calamity or crisis, or any material adverse change in the financial, political or economic conditions affecting the United States, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, the effect of which would, in the reasonable opinion of the Underwriter, affect materially or adversely the ability of the Underwriter to market the Bonds;

(xi) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Purchase Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the University's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the University (including any rating to be accorded the Bonds); or

(xii) any action, suit or proceeding described in Section 2.4 or 3.1(c)(4) shall have been commenced which, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds.

(c) At or prior to the Closing for the Bonds, the Underwriter shall receive the following documents:

(1) The approving opinion of Chapman and Cutler LLP (“*Bond Counsel*”), dated the date of Closing, in substantially the form included as APPENDIX F to the Official Statement;

(2) The opinion of Chapman and Cutler LLP, as Disclosure Counsel, dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as *Exhibit A*;

(3) The opinion of Kevin D. Satterlee, counsel to the University, in substantially the form attached hereto as *Exhibit B*;

(4) The University’s certificate or certificates signed by its Vice-President for Finance and Administration dated the date of the Closing to the effect that (A) no litigation is pending or, to its knowledge, threatened: (i) to restrain or enjoin the collection of Pledge Revenues under the Resolution; (ii) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds, the Resolution, this Purchase Agreement, the exemption from federal income taxation of interest on the Series 2010A Bonds, or the status of the Series 2010B Bonds as “qualified bonds” under Section 54AA(g) of the Code; or (iii) in any way contesting the powers or operation of the University; (B) to the best of her knowledge, the descriptions and information contained in the Preliminary Official Statement and the Official Statement relating to the University and its operational and financial and other affairs and the application of the proceeds of sale of the Bonds are correct in all material respects, as of their respective dates and as of the date of Closing; (C) such descriptions and information, as of the respective dates of the Preliminary Official Statement and Official Statement, did not, and, as of the date of Closing, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (D) at the time of the Closing, no default or event of default has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Resolution, this Purchase Agreement or any other material agreement or material instrument to which the University is a party or by which it is or may be bound or to which any of its property or other assets is or may be subject; (E) the Resolution of the University authorizing or approving the execution of this Purchase Agreement, the Continuing Disclosure Undertaking,

the Official Statement, and the form of the Bonds has been duly adopted by the University and has not been modified, amended or repealed; (F) no event affecting the University has occurred since the respective dates of the Preliminary Official Statement and Official Statement that either makes untrue, as of the date of Closing, any statement or information relating to the same and contained in the Preliminary Official Statement or Official Statement or that should be disclosed therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; and (G) the representations of the University herein are true and correct in all material respects as of the date of Closing;

(5) A copy of the transcript of all proceedings of the University, including the Supplemental Resolution, relating to the authorization and issuance of the Bonds, certified by appropriate officials of the University;

(6) Certificate of the University relating to matters affecting the tax-exempt status of interest on the Series 2010A Bonds and the status of the Series 2010A Bonds as “qualified bonds” under Section 54AA(g) of the Code, including the use of proceeds of sale of the Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(7) Satisfactory evidence that the Bonds are rated [“___”] and [“___”] by Moody’s Investors Service, Inc. and Standard & Poor’s, respectively;

(8) Copies of the Official Statement related to the Bonds executed on behalf of the University;

(9) An executed counterpart of the Continuing Disclosure Undertaking;

(10) Specimen Bonds;

(11) An executed copy of Internal Revenue Service Form 8038-G, with respect to the Series 2010A Bonds, an executed copy of Internal Revenue Service Form 8038-B, with respect to the Series 2010B Bonds, and evidence of filing thereof; and

(12) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

If the University shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the University shall be under further obligation hereunder, except as further set

forth in Article IV hereof. However, the Underwriter may, in its sole discretion, waive one or more of the conditions imposed by this Purchase Agreement and proceed with the Closing. Acceptance of the Bonds and payment therefor by the Underwriter shall be deemed a waiver of noncompliance with any of the conditions herein.

ARTICLE IV

FEES AND EXPENSES

All expenses and costs of the University incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing of the Bonds; advertising costs; the costs of posting, printing, duplicating and mailing the Preliminary Official Statement and the Official Statement; the fees of consultants and the rating agencies; the initial fee of the Trustee in connection with the issuance of the Bonds; and the fees and expenses of Bond Counsel, Disclosure Counsel, and counsel for the University, shall be paid out of funds made available by the University. All out-of-pocket expenses of the Underwriter (except for any expenses of the University advanced by the Underwriter for which the Underwriter will be reimbursed by the University), including advertising expenses in connection with the public offering of the Bonds, travel and other expenses, and the fees and expenses of any counsel employed by it, shall be paid by the Underwriter. To facilitate the Closing, the University hereby authorizes the Underwriter to net from the Purchase Price of the Bonds the Underwriter's Fee and reduce the Purchase Price payable to the University by an equal amount.

ARTICLE V

GENERAL PROVISIONS

Section 5.1. Notices. Any notice or other communication to be given to the University under this Purchase Agreement may be given by delivering the same in writing to the University's address set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Barclays Capital Inc., 701 Fifth Avenue, Suite 7101, Seattle, Washington 98104.

Section 5.2. Entire Agreement. This Purchase Agreement, when executed by the University, shall constitute the entire agreement between the University and the Underwriter, and is made solely for the benefit of the University and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof.

Section 5.3. No Recourse. No recourse shall be had for any claim based on this Purchase Agreement, or any Resolution, certificate, document or instrument delivered pursuant hereto, against any member, officer or employee, past, present or future, of the University or of any successor body of the University.

Section 5.4. Execution in Counterparts. This Purchase Agreement may be executed in any number of counterparts, all of which, taken together, shall be one and the same instrument, and any parties hereto may execute this Purchase Agreement by signing any such counterpart.

Section 5.5. Severability. The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Agreement as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

Section 5.6. Waiver or Modification. No waiver or modification of any one or more of the terms and conditions of this Purchase Agreement shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

Section 5.7. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 5.8. Effective Date. This Purchase Agreement shall become effective upon its execution by the Underwriter and the acceptance and approval hereof by the University.

BARCLAYS CAPITAL INC.

By _____
Richard B. King,
Director

ACCEPTED:

BOISE STATE UNIVERSITY

By _____
Stacy Pearson,
Vice President for Finance and
Administration

SCHEDULE I

[ATTACH FINAL NUMBERS FROM UNDERWRITER]

EXHIBIT A

OPINION OF DISCLOSURE COUNSEL

[TO BE DATE CLOSING DATE]

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: \$ _____
Boise State University
General Revenue Bonds,
Series 2010A

and

\$ _____
Boise State University
General Revenue Bonds,
Series 2010B
(Build America Bonds—Issuer Subsidy)

Ladies and Gentlemen:

We have acted as disclosure counsel in connection with the purchase by Barclays Capital Inc. (the “*Underwriter*”) of \$_____ General Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”) and \$_____ Taxable General Revenue Bonds, Series 2010B (Build America Bonds–Issuer Subsidy) (the “*Series 2010B Bonds*” and, collectively with the Series 2010A Bonds, the “*Bonds*”) issued on this date by Boise State University (the “*University*”). The Bonds are being issued pursuant to the terms of the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a Supplemental Resolution adopted April 22, 2010 (the “*Supplemental Resolution*” and, collectively with the Master Resolution, the “*Resolution*”). Capitalized terms used herein without definition shall have the meanings specified in the Preliminary Official Statement dated _____, 2010, relating to the Bonds (the “*Preliminary Official Statement*”) and the Official Statement dated April 22, 2010, relating to the Bonds (the “*Official Statement*”).

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

We have rendered legal advice and assistance to the University as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the “*Rule*”), in connection with the preparation of its Continuing Disclosure Undertaking dated as of the date hereof (the “*Undertaking*”) for purposes of the Rule. Based upon our examination of the Undertaking, the Rule and such other documents and matters of law as we have considered necessary, we are of the opinion that, under existing law, the Undertaking complies in all material respects with the applicable requirements of the Rule; *provided, however*, no view is expressed regarding the items comprising Annual Financial Information (as defined in the Undertaking).

We have rendered assistance to the University in connection with, and have participated in the preparation of, the Preliminary Official Statement and the Official Statement and certain other matters related to the subject financing. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects and a limited review of certain documents, opinions and certificates of officers of the University and other appropriate persons. We also participated in telephone conferences with your representatives and other persons involved in the preparation of information for the Preliminary Official Statement and the Official Statement, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Preliminary Official Statement or Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein, except that in our capacity as Bond Counsel in connection with the issuance of the Bonds, we have reviewed the information contained in the Preliminary Official Statement and Official Statement under the captions, “INTRODUCTION” (apart from the information contained under the caption, “–Boise State University”), “THE SERIES 2010 BONDS (apart from the information relating to The Depository Trust Company and its book-entry only system), “SECURITY FOR THE SERIES 2010 BONDS” (apart from the information contained under the captions, “–Pledged Revenues” and “–Historical Revenues Available for Debt Service,” “TAX MATTERS,” and in APPENDICES C, D, E and F, solely to determine whether such information accurately summarizes the matters described therein. Subject to the foregoing, the summary descriptions in the Preliminary Official Statement and the Official Statement under such captions and in such appendices, as of the respective dates of the Preliminary Official Statement and Official Statement and as of the date hereof, insofar as such descriptions purport to describe or summarize the matters to which such descriptions relate, are accurate summaries of such provisions in all material respects. While we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, except as described in this paragraph, based upon our limited review of documents and participation in conferences as aforesaid, without independent verification, no facts have come to our attention which lead us to believe that the Preliminary Official Statement or the

Official Statement (apart from (i) the information relating to The Depository Trust Company and its book-entry only system and (ii) the financial statements or other financial, operating, statistical or accounting data contained therein, as to all of which we do not express any opinion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact (other than, with respect to the Preliminary Official Statement, any information that is permitted to be omitted from the Preliminary Official Statement pursuant to the Rule) necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is solely for the benefit of the Underwriter. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

EXHIBIT B

OPINION OF COUNSEL TO BOISE STATE UNIVERSITY

[TO BE DATE CLOSING DATE]

Boise State University
1910 University Drive
Boise, Idaho 83725

Chapman and Cutler LLP
201 South Main Street, Suite 2000
Salt Lake City, Utah 84111

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: \$ _____
Boise State University
General Revenue Bonds,
Series 2010A
and
\$ _____
Boise State University
General Revenue Bonds,
Series 2010B
(Build America Bonds—Issuer Subsidy)

Ladies and Gentlemen:

As counsel to Boise State University (the “*University*”), I have reviewed certain documents in connection with the issuance and sale by the University of its \$_____ General Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”) and \$_____ Taxable General Revenue Bonds, Series 2010B (Build America Bonds–Issuer Subsidy) (the “*Series 2010B Bonds*” and, collectively with the Series 2010A Bonds, the “*Bonds*”), including the Resolution Providing for the Issuance of General Revenue Bonds, adopted on September 17, 1992, by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the “*Board*”), as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented and amended by the Supplemental Resolution of the Board adopted April 22, 2010, authorizing the issuance and sale

of the Bonds (the “*Supplemental Resolution*,” and, together with the Master Resolution, the “*Resolution*”); the Preliminary Official Statement dated _____, 2010 (the “*Preliminary Official Statement*”); the Official Statement dated April 22, 2010 (the “*Official Statement*”); the Bond Purchase Agreement, dated April 22, 2010, between the University and Barclays Capital Inc. (the “*Purchase Agreement*”); the Continuing Disclosure Undertaking with respect to the Bonds (the “*Continuing Disclosure Undertaking*”); and such other documents as I deemed necessary to render this opinion. Capitalized terms used but not defined in this opinion have the meanings assigned to such terms in the Resolution. This opinion is rendered pursuant to the Purchase Agreement.

Based upon my examination, it is my opinion that:

1. The University is an institution of higher education and a body politic of the State of Idaho, duly and validly created and existing pursuant to the laws of the State of Idaho, with full legal right, power, and authority (i) to issue bonds of the University pursuant to the Resolution; (ii) to adopt the Resolution; (iii) to enter into the Purchase Agreement, and the Continuing Disclosure Undertaking; (iv) to pledge the Pledged Revenues (as defined in the Resolution) to secure the payment of the principal of and interest on the Bonds; and (v) to carry out and consummate the transactions contemplated by the Resolution, the Purchase Agreement, and the Continuing Disclosure Undertaking.

2. The meeting of the Board on April 22, 2010, at which the Supplemental Resolution was duly adopted by the Board, was called and held pursuant to law, all public notices required by law were given, and the actions taken at the meeting, insofar as such actions relate to the Series 2010 Bonds, were legally and validly taken.

3. The adoption of the Resolution by the Board, the execution and delivery of the Purchase Agreement and the Continuing Disclosure Undertaking, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule, regulation, ordinance, judgment, order or decree to which the University or the Board is subject.

4. Based upon conferences with, and representations of officials of, the University, the statements in the Preliminary Official Statement and the Official Statement under the captions, “INTRODUCTION–Boise State University,” “SECURITY FOR THE SERIES 2010 BONDS,” “THE UNIVERSITY,” and “LITIGATION,” and in “APPENDIX B–SCHEDULE OF STUDENT FEES,” are true and correct in all material respects and did not, as of their respective dates, and do not contain an untrue statement or omission of a material fact (other than, with respect to the Preliminary Official Statement, any information that is permitted to be omitted from the Preliminary Official Statement pursuant to the Rule), it being understood that, in rendering this opinion, I am not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Preliminary Official Statement and the Official Statement.

5. Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending which (i) questions the existence or powers of the Board or the University or the title to office of any present official of the Board or the University; (ii) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the execution and delivery of the Purchase Agreement or the Continuing Disclosure Undertaking; (iii) affects the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the revenues and other funds and accounts under the Resolution; (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (v) contests any authority for the issuance of the Bonds, and the adoption of the Resolution, or the execution and delivery of the Purchase Agreement, and the Continuing Disclosure Undertaking, or the validity of any proceedings taken by the University in connection with the issuance or sale of the Bonds.

Very truly yours,

Kevin D. Satterlee
University Counsel



New Issue: MOODY'S ASSIGNS A1 RATING TO BOISE STATE UNIVERSITY'S (ID) \$14 MILLION OF GENERAL REVENUE BONDS, SERIES 2010A AND 2010B (TAXABLE BUILD AMERICA BONDS); OUTLOOK IS STABLE

Global Credit Research - 08 Apr 2010

UNIVERSITY WILL HAVE \$230.3 MILLION OF RATED DEBT OUTSTANDING, INCLUDING CURRENT OFFERING

Higher Education
ID

Moody's Rating

ISSUE	RATING
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General Revenue Bonds, Series 2010A	A1
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Sale Amount \$1,300,000

Expected Sale Date 04/22/10

Rating Description Public University Revenue Bonds

Taxable General Revenue Bonds, Series 2010B	A1
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Sale Amount \$12,700,000

Expected Sale Date 04/22/10

Rating Description Public University Revenue Bonds

Moody's Outlook Stable

Opinion

NEW YORK, Apr 8, 2010 -- Moody's Investors Service has assigned an A1 rating to Boise State University's (BSU) \$14 million of General Revenue Bonds, Series 2010A and 2010B (Taxable). At this time we are affirming the A1 rating on the University's outstanding debt (see RATED DEBT section below). The rating outlook is stable.

USE OF PROCEEDS: Bond proceeds will be used to finance the costs of the construction of the College of Business and Economics building and pay the costs of issuance.

LEGAL SECURITY: The Series 2010 Bonds are secured by Pledged Revenues which include student charges, auxiliary revenues, indirect cost recovery, and other various revenue sources. State appropriations and other externally restricted funds are not included in the Pledged Revenues. For certain of these revenues, the lien is subordinate to other outstanding debt until that debt either matures or is retired, with \$5 million of such senior debt outstanding. Under the Resolution, BSU has a debt service covenant and additional bonds test of at least 1.1 times. There is no debt service reserve fund. In FY 2009, Pledged Revenues of \$91.8 million covered pro-forma maximum annual debt service by 5.5 times.

The Student Union and Housing System Bonds are secured by the net revenues of the housing, dining, and student union system, mandatory student fees, and certain investment income and other funds. Under the Resolution, the University has a rate covenant and additional bonds test to maintain a minimum of 1.1 times annual debt service coverage. Pledged revenues of \$6.9 million provided 12.2 times coverage of annual debt service coverage in FY 2009. Mandatory student fees comprised 81% of net pledged revenues for the Student Union and Housing System Bonds.

INTEREST RATE DERIVATIVES: None

STRENGTHS

*Sound fundamental market position as an urban university in a growing metropolitan area, attracting a growing share of students from out-of-state (23% of first-time freshmen in fall 2009) provides the fundamental underpinning for the University's A1 rating. Enrollment grew to more than 14,500 full-time equivalent students in fall 2009, making BSU the largest public university in the State of Idaho.

*History of consistently favorable operating performance despite volatile funding environment, with a three-year average operating margin of 4.7% (FY 2007-2009) and good average debt service coverage of 2.5 times over the same period. Healthy growth of tuition revenue, which has increased at an average rate of more than 6% over the past five years, has contributed to the University's decreasing dependence on state appropriations.

*Improved philanthropic support, with the University in the midst of its first comprehensive campaign. BSU has raised \$126 million towards the \$175 million goal and resulted in average annual gifts of \$24.5 million during fiscal years 2007-2009. With nearly \$70 million of gift proceeds directed towards capital projects and the relative paucity of State capital support, fundraising will play a critical role in the funding of BSU's investment in facilities for its growing student population.

CHALLENGES

*Budget challenges at the State of Idaho (Issuer Level Rating of Aa2 with a stable outlook) have resulted in reductions in state operating support of 11.6% in FY 2010, with an additional 3% decline anticipated in FY 2011. State appropriations comprised 33.5% of Moody's adjusted operating revenue in FY 2009.

*Relatively leveraged balance sheet and operations, with additional capital investment needed to support the University's strategic plan. In FY 2009, expendable financial resources of \$161.5 million covered pro-forma debt 0.7 times and pro-forma debt to revenues were 0.9 times. While the University has identified additional capital needs, management reports no near-term borrowing plans.

*Efforts to expand research activity could be hampered by slowing of growth rate in federal funding sources. BSU has a limited research profile with only \$10.7 million of expenditures in FY 2009.

MARKET/COMPETITIVE POSITION: URBAN UNIVERSITY SERVING A GROWING METROPOLITAN AREA

Boise State University's niche as an urban university in a growing metropolitan area, with an increasingly geographically diverse student body, provides the fundamental underpinning for the University's A1 rating. BSU is the largest public institution of higher education in the state, with full-time equivalent enrollment exceeding 14,500 students in fall 2009. While enrollment has increased, student demand statistics have softened. In fall 2009, selectivity increased to 85.3% and yield declined to 48.6% from 68.7% and 67.2%, respectively, in the prior year. Management attributes the decline to other in-state institutions offering expanded financial aid packages, while the tuition discount at BSU has declined to under 28%. Matriculation rates have weakened as the University has expanded the geographic diversity of its applicant pool. In fall 2009, out-of-state students represented 23% of the applicant pool compared to 9% in 2004. Management attributes the increased geographic diversity of undergraduate and graduate applications in large part to its relatively recent athletic success which has brought national attention. Despite the weakened demand statistics, management is contemplating increasing admission standards in order to manage enrollment growth and improve student outcomes.

The University had historically served as both a comprehensive urban four-year institution as well as the community college for the area. However, the State of Idaho created a new community college, the College of Western Idaho (CWI), which started offering classes in January 2009. In the summer of 2009, the University transferred its applied technology program to CWI. Management reports that the creation of the College of Western Idaho and transfer of BSU programs resulted in a reduction of 1,157 professional technical students and was offset by an increase in academic enrollment of 426. The resulting decrease of 731 represented a tuition reduction of approximately \$2.1 million. However, CWI could serve as another source of transfer students for BSU. In fall 2009, BSU enrolled 995 transfer students compared to 2,151 first-time freshmen students. Despite the opening of CWI in January 2009, enrollment at BSU continues to increase. The weak economy has bolstered enrollment and has driven students towards full-time programs. We will continue to monitor the impact of the College of Western Idaho on BSU's enrollment and operating performance.

We believe that it will be a challenge for the University to achieve its goal of becoming a "Metropolitan Research University of Distinction." BSU's research profile is limited with expenditures of only \$10.7 million in FY 2009. Research expenditures declined nearly 26% in FY 2009 compared to the prior year, reversing a relatively healthy growth trend in recent years. The University remains committed to growing research programs, with gifts from the current comprehensive campaign targeted to provide funding for endowed faculty chairs and facilities to support its vision.

OPERATING PERFORMANCE: HISTORY OF FAVORABLE OPERATING PERFORMANCE

We anticipate that the University will continue to produce favorable operating results due to a history of careful revenue and expense management during periods of volatile state funding. During fiscal years 2007 through 2009, BSU annual operating margin averaged 4.7% resulting in an average of 2.5 times debt service coverage over the same period. Healthy growth of tuition revenue has contributed to the University's decreasing dependence on state appropriations which dropped to 33.5% in FY 2009 from 43% in FY 2002. Student generated charges, including tuition, fees, and auxiliary revenues, comprised 45% of Moody's adjusted operating revenue in FY 2009. While net tuition and fees per student has grown at a healthy rate, averaging over 6% for the past five years, BSU's net tuition and fees per student of \$5,794 in FY 2009 remains below the median for A1 rated institutions (\$6,521 based on FY 2008). Management requested and received a 9% increase in tuition and fees for FY 2011 but anticipates more modest rates of increase in tuition in the near term to maintain affordable access to higher education.

Boise State University continues to be reliant on state appropriations, which comprised 33.5% of operating revenues in FY 2009. Budgetary pressure at the State of Idaho resulted in an 11.6% decline in state appropriations during FY 2010. Management reports that the University was able to offset these cuts through a combination of expense reductions, use of stimulus funds, increased revenue, and modest use of reserves. BSU expects an additional 3% decline in State support in FY 2011. Management anticipates that additional expense reductions and revenue growth, driven by enrollment growth, will mitigate reduced support in FY 2011. Additionally, FY 2011 will be impacted by the drop off of Federal Stimulus funds which provided \$4.8 million in support to fiscal year 2010.

Moody's maintains a Aa2 issuer rating on the State of Idaho reflecting a history of conservative fiscal management, low but rising debt levels, relatively diverse economy, and low wealth levels. It is important to note that Idaho is not immune to the current economic downturn and is experiencing revenue declines similar to other states. However, the State has been quick to react to sudden revenue drops by reducing expenditures. For more information, please see Moody's report dated June 17, 2009.

BALANCE SHEET POSITION: BALANCE SHEET PROVIDES MODEST CUSHION FOR DEBT AND OPERATIONS; NO ADDITIONAL NEAR-TERM BORROWING PLANS

BSU's financial resources provide a relatively modest cushion for debt and operations. Balance sheet growth, driven by retained operating surpluses and improved philanthropic support, has helped absorb increases in debt related to the University's strategic capital investments. Despite resource growth, BSU remains leveraged from a balance sheet and operating perspective with expendable financial resources of \$161.5 million cover pro-forma debt by 0.7 and pro-forma debt to revenues of 0.9 times. While BSU has identified additional capital needs, management reports no definite near-term borrowing plans. The University's ability to absorb any additional borrowing will be contingent on growth in liquidity, sustained strong operating performance, and at least stable enrollment. Moody's expects moderate balance sheet strengthening in FY 2010 due to receipt of gifts and cash flow from operations which has historically contributed to the growth in unrestricted financial resources.

The current borrowing will finance a portion of the costs of the construction of the College of Economics and Business building, with a total cost estimated at \$37 million. The remainder of the cost will be funded by gifts, including a \$12.5 million donation from the Micron Foundation, unexpended bond proceeds, and financial reserves. Beyond the current issue, the University has identified \$22.5 million of near-term capital projects to be funded with a combination of unexpended bond proceeds, gifts, and reserves. Given the relative paucity of State support for capital projects, philanthropic support will play a critical role in the funding of BSU's investment in facilities for its growing student population.

The University is in the midst of its first comprehensive campaign. BSU has raised \$126 million towards the \$175 million goal to be completed by June 2011. Campaign proceeds will help support the University strategic academic and capital initiatives, with a majority of the proceeds to increase the endowment and roughly \$70 million for capital projects. Management reports that while the weakened economy has slowed progress on the campaign, the University exceeded its goal on a recent fundraising initiative for scholarships and will continue to collect gifts through June 2011. Annual giving has averaged \$24.5 million during fiscal years 2007-2009.

In order to accommodate increased demand for student housing, BSU has entered into an agreement with American Campus Communities, Inc. (ACC) to construct student housing targeted for upperclassmen. The first phase of the project could contain up to 1,100 beds, with the first facility expected to be completed by fall 2011. The first facility will be located on BSU-owned land which will be ground leased to ACC for 65 years with two 10-year extension options. The project cost for the first facility is projected to be \$41.8 million. BSU is in early discussions to have ACC build additional housing targeted to freshmen and sophomore students. Moody's expectation is that ACC will be investing its own equity to finance a portion of the project costs, and that no project-specific debt will be issued in the next several years. Based on this structure, which includes no obligation of the University to support the project, we have not included the development costs in direct debt calculations for the University.

Moody's will incorporate these projects into our analysis of the University's overall credit profile and we will continue to monitor the construction, lease up, and future operating performance of the facilities. Currently, BSU's housing stock consists of 2,100 beds. With the completion of the first facility, containing 874 beds, privatized student housing would represent nearly 30% of the University's housing stock. This would increase to 34% if the second facility in the first phase containing 220 beds were to be constructed. Given the material share of student housing represented by the ACC projects, we believe that the University has a strong incentive to see these projects succeed. The credit impact of these projects could change if the projects encountered operating difficulties in the future and BSU provided financial or other significant support.

BSU's endowment is primarily invested with its Foundation. The endowment returned -24% for FY 2009, but has experienced a 13% investment return for fiscal 2010 through February 28, 2010. As of June 30, 2009, the Foundation's investment allocation included approximately 25% domestic equities, 36% international equities, 18% fixed income, 10% hedge funds, 8% in commodities, 2% private equity, and 2% in cash. Moody's includes the Foundation's balance sheet in the University's financial resource calculation. As of June 30, 2009, the University (excluding the Foundations) had \$80 million of unrestricted cash and investments with monthly liquidity. This monthly liquidity would cover 118 days of cash expenses.

Outlook

The stable outlook reflects our expectation that BSU will maintain or modestly increase enrollment which will enable it to continue to grow revenue, leading to solidly positive operating performance. The outlook also incorporates no additional near-term borrowing plans.

What could change the rating-UP

Material growth in financial resources to provide a substantially stronger cushion for debt and operations, increased philanthropic support to both build the endowment and to finance strategic capital and academic initiatives, and continued favorable operating performance

What could change the rating-DOWN

Significant deterioration of balance sheet cushion, sustained deterioration of student market position contributing to operating deficits and weak debt service coverage

KEY INDICATORS (Fiscal year 2009 financial data; fall 2009 enrollment data):

Total Enrollment: 14,537 full-time equivalent students

Total Pro Forma Direct Debt: \$236.4 million

Expendable Financial Resources: \$161.5 million

Expendable Financial Resources to Direct Debt: 0.7 times

Expendable Financial Resources to Operations: 0.6 times

Monthly Liquidity: \$80 million

Monthly Days Cash on Hand (unrestricted funds available within 1 month divided by operating expenses excluding depreciation, divided by 365 days): 118 days

Three-Year Average Operating Margin: 4.7%

Reliance on state funding (% of Operating Revenue): 33.5%

State of Idaho: Aa2 Issuer Level Rating, Stable Outlook

RATED DEBT:

General Revenue Bonds: Series 2004A: A1; insured by FGIC

General Revenue Bonds: Series 2005A, 2007A, 2007B, and 2007C: A1; insured by National Public Finance Guarantee Corp, formerly MBIA (current financial strength rating of Baa1 with a developing outlook)

General Revenue Bonds, Series 2009A, 2010A, and 2010B: A1

Student Union and Housing System Bonds: Series 2002: A1; insured by FGIC

Student Union and Housing System Bonds: Series 2003: A1; insured by Ambac (current financial strength rating of Caa2 -rating under review for possible upgrade)

CONTACTS:

Boise State University: Stacy Pearson, Vice President for Finance and Administration, 208-426-1200

Underwriter: Richard King, Barclays Capital, 206-344-5838

RATING METHODOLOGY AND LAST RATING ACTION

The rating assigned to Boise State University was issued on Moody's municipal rating scale. Moody's has announced its plans to recalibrate all U.S. municipal ratings to its global scale and therefore, upon implementation of the methodology published in conjunction with this initiative, the rating will be recalibrated to a global scale rating comparable to other credits with a similar risk profile. Market participants should not view the recalibration of municipal ratings as rating upgrades, but rather as a recalibration of the ratings to a different rating scale. This recalibration does not reflect an improvement in credit quality or a change in our credit opinion for rated municipal debt issuers. For further details regarding the recalibration please visit www.moody's.com/gsr.

The principal methodology used in assigning the rating Boise State University was the Public College and University, published in November 2006, and available on www.moody's.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

The last rating action was on February 10, 2009, when Boise State University's A1 rating and stable outlook were affirmed.

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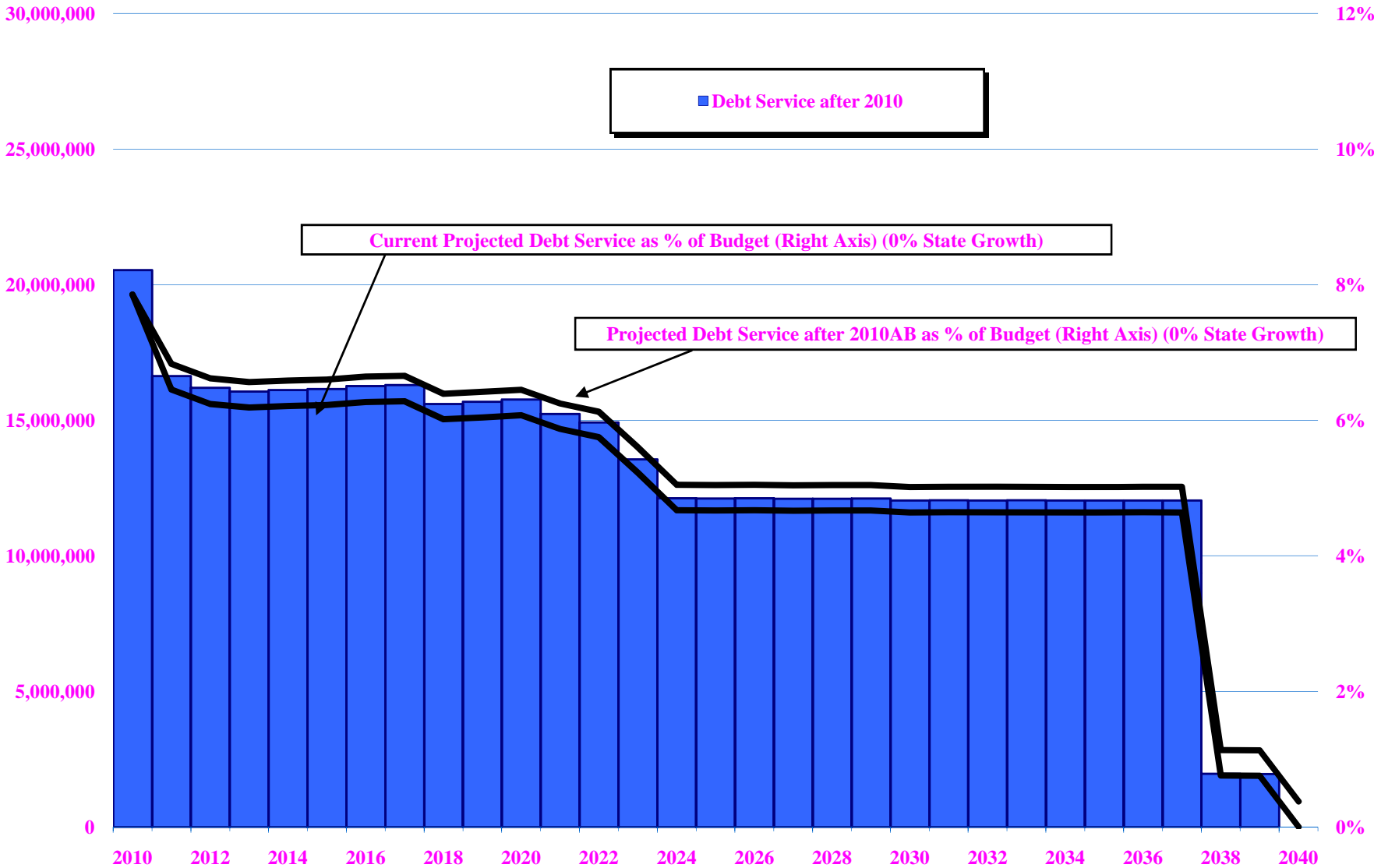
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Boise State University
Existing Debt Service to Budget post Series 2009A Issuance
Updated February 2010



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		Boise State University Ten Year Debt Projection April 2010												
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY2016	FY2017	FY2018	FY2019	Total		
1	Future Buildings	Cost	Est. Debt	Financed										
2	2010AB COBE	\$38,000,000	\$14,000,000	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$8,775,000	recalced	
3	2010 Housing (public/private)		\$0											
4														
5	Future Debt Financing	\$14,000,000	\$0	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000	\$8,775,000	footed	
6	Current University Debt Service	\$20,539,946	\$16,636,084	\$16,198,174	\$16,057,791	\$16,114,594	\$16,158,155	\$16,267,842	\$16,302,043	\$15,606,578	\$15,682,340	\$165,563,547	verified to debt service schedule	
7	Total Projected Debt Service after COBE	\$20,539,946	\$17,611,084	\$17,173,174	\$17,032,791	\$17,089,594	\$17,133,155	\$17,242,842	\$17,277,043	\$16,581,578	\$16,657,340	\$174,338,547	footed	
8	Operating Budget (less direct loans, includes 0% growth in State support)	\$261,470,251	\$257,808,577	\$259,499,352	\$259,499,352	\$259,499,352	\$259,499,352	\$259,499,352	\$259,499,352	\$259,499,352	\$259,499,352		verified to budget worksheet	
9	Debt Service as a % of Operating Budget	7.9%	6.5%	6.2%	6.2%	6.2%	6.2%	6.3%	6.3%	6.0%	6.0%		recalced	
10	Debt Service as a % of Operating Budget after 2010AB		6.8%	6.6%	6.6%	6.6%	6.6%	6.6%	6.7%	6.4%	6.4%		recalced	

As presented in June, 2006, a ratio of 10% would significantly hinder access to capital in the bond markets.

Assumptions:

11	<i>Student Revenue</i>	1. 0% growth in enrolment and no rate increase, with 2% loss in student fees due to transfer of Selland College to CWI in FY2011 to recover in 2012.
12	<i>General Fund</i>	2. 7.5% Holdback in FY2010 and 10% decrease in base appropriation in FY2011, 0% growth in ongoing state support, and loss of Selland College appropriation.
13	<i>Donations, Sales</i>	3. Drop in gifts and auxiliary revenues of 5%.
14		4. New housing will be done through a public/private partnership that will not impact balance sheet or credit of the University.
15		5. No new source of state funding for academic buildings.
16		6. The ratio in 2010 is the result of the \$3,325,000 private note balloon payment for East Junior High.
17		7. \$14,000,000 of construction proceeds will be debt finance for the COBE building, estimated conservatively as total \$15 million bond over 30 years at 5.0%.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOISE STATE UNIVERSITY

SUBJECT

Request to name new College of Business and Economics Building

REFERENCE

February 2010

Board approved the construction of the COBE Building

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section I.K.

BACKGROUND/DISCUSSION

In February 2010 the Board approved Boise State University's request to proceed with the construction of the new College of Business and Economics building. The building will house the College of Business and Economics and Centers associated with the College. The funding for the building includes a \$12.5 million gift from the Micron Foundation, Inc. While the Micron Foundation, Inc. gift does not require the University to name the facility, the University would like to honor this generous gift by naming the building the Micron Building.

Micron has provided generous gifts to fund various University programs, including this major gift to build the new facility. The proposed name has been approved by the University's Naming Committee.

IMPACT

Naming the new College of Business and Economics building after Micron recognizes the company's generous support of the University.

STAFF COMMENTS AND RECOMMENDATIONS

Staff finds the request meets Board Policy.

BOARD ACTION

A motion to approve the request by Boise State University to name the new College of Business and Economics building the Micron Building in honor of the Micron Foundation's gift.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

UNIVERSITY OF IDAHO

SUBJECT

Real property exchange and conveyance of an easement

REFERENCE

10/20/04	Board approved 2005 University/Railroad land exchange
12/09/09	Executive Session Discussion

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.2.a, V.I.2.g, V.I.5.b(2), and V.I.5.b(3).

BACKGROUND/DISCUSSION

For nearly a hundred years, two separate but parallel railroad properties effectively served as the northern and eastern boundaries for the University of Idaho, separating the campus from the City of Moscow's primary commercial areas. In 2005 the southerly line was abandoned and the University acquired as much of the property that adjoined University real estate as the University's limited resources would permit at that time. To complete that acquisition, the University exchanged other parcels that it deemed less important to gain ownership of the more important segments of the abandoned railroad property.

Recently, the last railroad segment in Moscow was abandoned, which allows the property owner Palouse River and Coulee City Railroad, Inc. ("Railroad") to put the property up for sale. This segment contains a 100 foot wide frontage which runs the length of the north border of the campus along the Moscow/Pullman highway from Line Street west to Perimeter Drive, as well as an additional 50 foot wide frontage and small lot on the eastern border of the campus. (See attached photo – Attachment 1.) Acquiring this property will allow the University to secure its main north boundary along the Moscow/Pullman highway and secure additional property along the eastern border. Aside from the value of the property to UI for its adjacency to University facilities and view sheds, the property is desirable for completion of planned stream enhancements to Paradise Creek, campus entrance improvements, and use for additional parking or compatible commercial retail/service development.

To acquire the adjoining 6.5 acres, the University is proposing to exchange its 1.68 acre North Campus Center. This property was a former motel built in the 1970's and acquired by UI in the early 1990's to serve as graduate student housing and provide additional office space in the former motel's lobby and restaurant areas. The facility is no longer necessary for these purposes and its cost to maintain for continued University use is beginning to outweigh its usefulness. Likewise, the cost of retrofitting to meet UI's changing needs is too high to justify its retention as a viable UI facility.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

It is the University's opinion that sale to a private party for re-development of the old motel is the most practical means for achieving that property's highest and best use. The appraised value of the property to be acquired by the University is \$1,910,000 and the property being exchanged by the University is appraised at \$2.3 million. The Railroad has the ability to combine the North Campus Center with other property it owns adjacent to the center to further maximize the overall property values. The terms of the proposed exchange include simultaneous closings of the Railroad's sale and the exchange, as well as a mechanism for adjusting the final exchange values of the parcels to adjust relative to the actual sales price of the North Campus Center to a third party. The adjustment mechanism serves as an incentive for the Railroad to sell the North Campus Center for as much as the market will permit since their proceeds from that precedent sale will represent the payment they are actually receiving for the \$1,910,000 in appraised real estate value they convey to the University, and which establishes the cash balance payment to the University that is dependent on the actual selling price of that property. For example, if the precedent sale of the University property to a third party was for \$2,070,000, then the purchase price and cash balance payment (difference between appraised values) to the University would be adjusted to 90% of the purchase price (i.e. \$2,070,000 is 90% of \$2,300,000).

University is now seeking approval to complete the exchange, as outlined in the attached Purchase, Sale, and Exchange Agreement (Attachment 2), which is contingent upon Regents approval, with one change that has arisen since the agreement was initially signed.

The University has determined, as part of its pre-exchange due diligence, to remove the Railroad's reversionary interest in other abandoned railroad property (west of Perimeter Drive) from the transaction. The reversion right at issue is automatic and since the University has no control over the use of the property by the current title holder, the reversion right has risks that outweigh its value to the University.

And finally, in addition to the transaction steps anticipated by the attached Exchange Agreement, and with the intent of ensuring further public improvements to serve property acquired by the Regents, the University is also proposing to convey an easement to the City of Moscow for purposes of placing utilities within the future access corridor for the University supported Legacy Crossing urban renewal district. The proposed easement form is included as Attachment 3.

Acquisition of the available railroad property as proposed is consistent with the University's Development Plan and will facilitate the University's residential campus, assist with presenting facilities and campus design features important for recruitment and retention efforts, and accommodate a land use plan that improves connections between downtown Moscow and the University with

BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 22, 2010

seamless parkways and aesthetic academic/commercial transitions. The latter is demonstrated by the fact that every major campus gateway identified in the Plan (with the exception of the completed Sweet Ave entrance) is located at the property being sought for acquisition.

IMPACT

Since there are no budgeted funds available for the University to make the acquisition with cash, the Railroad has agreed to accept the University's North Campus Center property in exchange for the railroad property (and to pay the difference in the final exchange value) provided the exchange is done simultaneously with the Railroad's sale of the North Campus Center. The appraised value of the property to be acquired by the University is \$1,910,000 and the property being exchanged by the University is appraised at \$2.3 million. The Exchange Agreement provides a mechanism to adjust these prices based on the actual third party sales contract for the North Campus Center and establishes the cash balance payment to the University that is dependent on the actual selling price of that property.

The City of Moscow will pay the University \$150,000 for the access and utility easement proposed for the abandoned railroad property within the City's Legacy Crossing urban renewal district.

ATTACHMENTS

Attachment 1–Photo	Page 4
Attachment 2–Purchase, Sale and Exchange Agreement	Page 5
Attachment 3–Easement to City of Moscow	Page 25

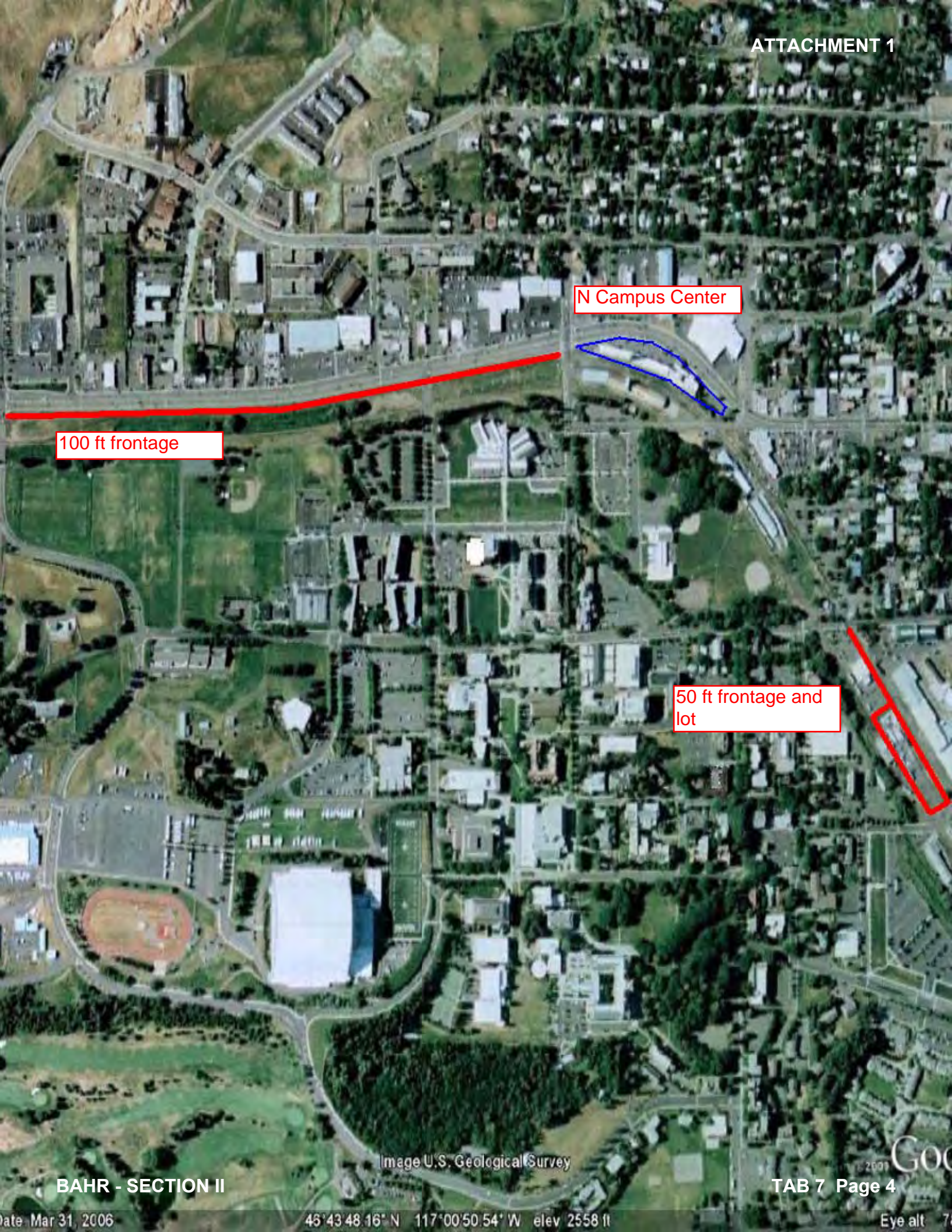
STAFF COMMENTS AND RECOMMENDATIONS

Staff finds that based on representations made by the institution this real property exchange and conveyance of easement is in the best interest of the University. Completing this exchange would enable the university to acquire two strategic bordering properties and divest a facility which no longer meets institutional needs, without any cash outlay. Staff recommends approval.

BOARD ACTION

A motion to approve the exchange transaction with Palouse River and Coulee City Railroad in substantial conformance with the Exchange Agreement submitted to the Board, removing there from acquisition of the reversionary rights described therein, and to approve the conveyance of an easement to the City of Moscow in substantial conformance with the easement form submitted to the Board; and further, to authorize the University's Vice President for Finance and Administration to execute the documents necessary to carry out the exchange and conveyance as approved by this Board.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



100 ft frontage

N Campus Center

50 ft frontage and lot

Image U.S. Geological Survey

PURCHASE, SALE AND EXCHANGE AGREEMENT

THIS PURCHASE, SALE AND EXCHANGE AGREEMENT ("**Agreement**") is entered into on January 27, 2010, by and between **Palouse River and Coulee City Railroad, Inc.**, a Washington corporation ("**Palouse**"), and the **Board of Regents of the University of Idaho**, a state educational institution and body politic, organized and existing under the Constitution and laws of the state of Idaho ("**Regents**").

1. PROPERTY TO BE PURCHASED BY REGENTS.

Palouse shall sell and Regents shall purchase that certain real property located in the City of Moscow, County of Latah, State of Idaho, consisting of three parcels of land comprising approximately 6.5 acres, as more particularly shown on **Exhibit "A"** attached hereto and made a part hereof, together with all easements, rights and appurtenances thereto ("**Palouse Property**"), all in accordance with the terms and conditions hereinafter set forth. The legal description of the Palouse Property shall be determined by the survey to be obtained pursuant to Section 9(c) and upon such determination shall automatically be made a part hereof. It is acknowledged by both parties to this Agreement that the Union Pacific Land Resource Corporation currently possesses one of the three parcels mentioned above (shown on Exhibit A as "Parcel 3") and which, for the purposes of this Agreement, is defined as a portion of the Palouse Property.

2. PROPERTY TO BE PURCHASED BY PALOUSE.

Regents shall convey or cause to be conveyed and Palouse shall purchase that certain real property located in the City of Moscow, County of Latah, State of Idaho, consisting of one parcel of land with improvements comprising approximately 1.68 acres, as shown on **Exhibit "A"**, together with all easements, rights and appurtenances thereto ("**Regents Property**"), all in accordance with the terms and conditions hereinafter set forth. Personal property within Regents Property is not included as part of Regents Property.

3. REGENTS ACQUISITION OF REVERSIONARY RIGHTS.

Palouse shall grant, or cause to be granted, to Regents the reversionary property rights established by separate quitclaim deed between Palouse and the MacGregor Company ("**Reversionary Rights**"). Such separate deed and subject property legal description are attached hereto as **Exhibit "B"**. This reversionary interest shall be conveyed by Palouse to Regents by quitclaim deed as described in Section 8(b) of this Agreement.

4. EXISTING EASEMENTS AND LICENSES TO BE TERMINATED.

Parties to this Agreement hereby agree and acknowledge that the prior easement agreement between these same parties dated December 20, 2004, and recorded by the Latah County Recorder, Latah County, Idaho as Instrument Number 495409 on April 27, 2005, and its replacement easement recorded by the Latah County Recorder, Latah County, Idaho as Instrument Number 531331 on July 27, 2009, will be terminated upon execution of conveyance of property as prescribed by this Agreement. Parties to this Agreement further agree and

acknowledge that the prior license agreement between these same parties dated December 20, 2004, and recorded by the Latah County Recorder, Latah County, Idaho as Instrument Number 495411 on April 27, 2005, will be terminated upon execution of conveyance of property as prescribed by this Agreement.

Parties to this Agreement hereby agree and acknowledge that the prior easement agreement, between these same parties dated December 20, 2004, and recorded by the Latah County Recorder, Latah County, Idaho as Instrument Number 495410 on April 27, 2005, will be terminated upon execution of conveyance of property as prescribed by this Agreement.

5. LICENSE FOR ENTRY.

Each party hereto grants to the other a license to enter upon the properties subject to this Agreement for all purposes reasonably related to a full and adequate determination of the suitability of the property, including, without limitation, the right to conduct surveys, soils tests, engineering studies, and environmental tests and audits.

6. PURCHASE PRICE AND PURCHASE PRICE ADJUSTMENT.

The purchase price for the Palouse Property and the consideration for the Reversionary Rights is the sum of One Million Nine Hundred Ten Thousand Dollars (\$1,910,000). The Purchase Price of the Regents Property is Two Million Three Hundred Thousand Dollars (\$2,300,000). Regents shall pay the purchase price for the Palouse Property and Reversionary Rights by conveying or causing to be conveyed the Regents Property to Palouse. Palouse shall pay the purchase price for the Regents Property by conveying the Palouse Property to Regents. The balance of the purchase price, in the amount of Three Hundred Ninety Thousand Dollars (\$390,000), which is the "**Cash Balance Payment**", for purchase of the Regents Property shall be paid in cash by Palouse to Regents at closing.

The purchase price values given above shall be adjusted in accordance with the actual sales price established for the Regents Property by a binding sales contract between Palouse and a third party (as provided in the condition described in Section 8(d) of this Agreement). Such binding sales contract between Palouse and a third party shall be referred to herein as the "**Precedent Sales Contract**". In the event Palouse enters into the Precedent Sales Contract, the purchase prices stated above shall be modified by calculating the percentage difference between the agreed price of the Precedent Sales Contract and the \$2,300,000 reported above. For example, if the Precedent Sales Contract establishes an agreed upon price of \$2,070,000 then the purchase prices and Cash Balance Payment amounts reported above shall be adjusted to 90% of the amount reported above (\$2,070,000 is 90% of \$2,300,000). In the event the Precedent Sales Contract includes the "Palouse Adjoining Parcel" (the parcel adjoining Regents Property as shown on Exhibit A), the total reported sales price for the combined parcels shall be allocated between the Regents Parcel and the Palouse Adjoining Parcel such that the Regents Parcel is assigned 84.62% of the total sales price to permit the adjustment as provided above.

7. MUTUAL CONDITIONS.

Notwithstanding anything to the contrary in this Agreement, neither party shall be obligated to purchase the respective properties unless at or prior to closing each of the following

conditions has been met or both parties have waived said conditions in writing. Each party agrees to reasonably cooperate with the other to execute any documents, which may be necessary or convenient to the performance of these conditions:

(a) Palouse and Regents have entered into, and Palouse and Regents agree to enter into those documents (if any) deemed necessary to terminate the easements and license described in Section 4 of this Agreement. An executed termination document related to that Easement dated December 20, 2004, and recorded by the Latah County Recorder, Latah County, Idaho as Instrument Number 495410 on April 27, 2005, (the form of which termination document is attached hereto as **Exhibit "C"**) shall be deposited by Palouse into the escrow referred to in Section 10 with instructions that the same be recorded immediately after the recording of the quitclaim deeds conveying the Palouse Property to the Regents and the Regents Property to Palouse.

(b) Palouse and Regents have entered into, and Palouse and Regents agree to enter into those quitclaim deeds necessary to convey Palouse Property to Regents and Regents Property to Palouse as described in Sections 1 and 2 of this Agreement ("**Exchange Quitclaim Deeds**") and then deposit said Exchange Quitclaim Deeds into the escrow referred to in Section 10 with instructions that same be recorded at closing.

(c) In the event either party, at any time prior to waiver or satisfaction of such conditions, deems any of the conditions set forth in this Section 7, or, in the case of Palouse, Section 8, or, in the case of Regents, Section 9, unsatisfied, such party may terminate this Agreement upon fifteen (15) days' prior written notice to the other and this Agreement shall terminate. In addition, and without limiting the foregoing, in the event all of the conditions set forth in this Section 7 and in Section 9 have not been satisfied or waived in writing by Regents within one (1) year after the date of this Agreement (and this Agreement has not theretofore been terminated by Regents), Palouse may at any time thereafter, so long as said conditions have not been satisfied or waived in writing by Regents, terminate this Agreement upon fifteen (15) days' prior written notice to Regents, and this Agreement shall terminate if the condition or conditions specified in said notice of termination have not been satisfied or waived in writing by Regents prior to expiration of said fifteen (15) day period. In addition, and without limiting the foregoing, in the event all of the conditions set forth in this Section 7 and in Section 8 have not been satisfied or waived in writing by Palouse within one (1) year after the date of this Agreement (and this Agreement has not theretofore been terminated by Palouse), Regents may at any time thereafter, so long as said conditions have not been satisfied or waived in writing by Palouse, terminate this Agreement upon fifteen (15) days' prior written notice to Palouse, and this Agreement shall terminate if the condition or conditions specified in said notice of termination have not been satisfied or waived in writing by Palouse prior to expiration of said fifteen (15) day period. Notwithstanding any of the foregoing, neither party shall have the right to terminate this Agreement if such party is in default under this Agreement. In the event of any such termination of this Agreement, both parties shall be released from any further obligations hereunder except for liabilities, actual or contingent, which arose prior to the date of termination.

8. PALOUSE CONDITIONS.

Notwithstanding anything to the contrary in this Agreement, Palouse shall not be obligated to purchase the Regents Property unless at or prior to closing each of the following

conditions has been met or Palouse has waived said conditions in writing. Regents agrees to reasonably cooperate with Palouse to execute any documents which may be necessary or convenient to the performance of these conditions:

(a) Palouse has entered into such agreements and received the necessary approvals, specifically including any applicable approvals from the U.S. Surface Transportation Board, to permit Palouse to abandon the railroad on the Palouse Property.

(b) Palouse has executed, and Palouse agrees to execute, a quitclaim deed of reversionary rights as shown in the attached **Exhibit "D"** and as provided for in Section 3 of this Agreement, and such documents shall be deposited into the escrow referred to in Section 10 with instructions that the same be recorded immediately after the recording of the Exchange Quitclaim Deeds conveying the Palouse Property to the Regents and the Regents Property to Palouse.

(c) Palouse has acquired, for not more than \$409,000, the parcel of real property shown on Exhibit A as "Parcel 3", and has terminated all existing leases and licenses on said Parcel 3 prior to closing as defined in Section 11 to this Agreement. Regents and Palouse acknowledge and agree that as of the date of this Agreement, Palouse does not own "Parcel 3" as shown on Exhibit "A".

(d) Palouse has executed the Precedent Sales Contract with a third party to purchase Regents Property. Although the Precedent Sales Contract to purchase Regents Property shall be contingent upon the closing of transactions prescribed by this Agreement, Regents shall not be a party to the Precedent Sales Contract. The agreed upon sales price for the Precedent Sales Contract (if any) shall be disclosed in writing by Palouse to Regents and consented to in writing by Regents to permit the purchase price adjustment described in Section 6 of this Agreement. If Palouse, in its sole discretion, waives in writing this condition of sale to a third party, and decides to retain Regents Parcel as the outcome of the exchange, there shall be no purchase price adjustment as provided in Section 6 of this Agreement.

(e) Title to the Regents Property shall be good and marketable and shall be free and clear of all liens, encumbrances, easements, assessments, restrictions, tenancies (whether recorded or unrecorded) and other exceptions to title, except easements of record at the date of closing, and except the lien of real property taxes not yet due and payable and those exceptions approved in writing by Palouse ("**Palouse Permitted Exceptions**").

(f) Escrow Holder shall be prepared to obtain from Latah County Title Company, a standard coverage ALTA Owner's Policy of Title Insurance (including any endorsements reasonably required by Palouse) in the amount of \$2,300,000 (or such adjusted amount as described in Section 6 of this Agreement), insuring that marketable fee simple title to the Regents Property is vested in Palouse, subject only to the Palouse Permitted Exceptions.

(g) Palouse has obtained or been provided with such surveys, soils tests, engineering studies, and environmental tests and audits, which shall show the Regents Property to be suitable to Palouse, in Palouse's sole opinion. All surveys, tests, studies, or audits required by Palouse shall be paid for by Palouse at Palouse's sole cost and expense.

(h) Palouse will remove within twelve months from the date of closing the railroad tracks, ties, associated equipment and any other personal property not attached to the Palouse Property from all portions of the Palouse Property (excluding the property described in Exhibit B). Palouse shall indemnify, defend, and save Regents, its successors assigns, and agents harmless from any and all claims liabilities, losses, costs, charges, or expenses (including without limitation reasonable attorneys' fees) which Regents may incur as a result of Palouse' personal property remaining after closing, except to the extent caused by the negligence, willful misconduct or breach of contract by Regents or their agent, officer, employee, contractor or director. Notwithstanding Regents' or Palouse's waiver of these conditions subsequent, the obligations and indemnification set forth in this paragraph shall survive closing and the termination of this agreement, and shall continue so long as Palouse's personal property remains on the subject real property.

(i) Palouse shall have approved the closing of this transaction and more particularly the Board of Directors of Palouse shall have specifically and finally approved the terms of this transaction in accordance with their policies and procedures.

9. REGENTS CONDITIONS.

Notwithstanding anything to the contrary in this Agreement, Regents shall not be obligated to purchase the Palouse Property unless at or prior to closing each of the following conditions has been met or Regents has waived said conditions in writing. Palouse agrees to reasonably cooperate with Regents to execute any documents, which may be necessary or convenient to the performance of these conditions:

(a) Title to the Palouse Property shall be good and marketable and shall be free and clear of all liens, encumbrances, easements, assessments, restrictions, tenancies (whether recorded or unrecorded) and other exceptions to title, except those exceptions approved in writing by Regents ("**Regents Permitted Exceptions**").

(b) Escrow Holder shall be prepared to obtain from Latah County Title Company/First American Title Insurance Company, a standard coverage ALTA Owner's Policy of Title Insurance (including any endorsements reasonably required by Regents) in the amount of \$1,905,000 (or such adjusted amount as described in Section 6 of this Agreement), insuring that marketable fee simple title to the Palouse Property is vested in Regents, subject only to the Regents Permitted Exceptions.

(c) Regents has obtained or been provided with such surveys, soils tests, engineering studies, and environmental tests and audits, which shall show the Palouse Property to be suitable to Regents', in Regents' sole opinion. Without limiting the generality of the foregoing, Palouse, at Palouse's cost and expense, shall have provided Regents with a legal description and land survey for the Palouse Property. Upon acceptance of the legal descriptions by Regents, such legal descriptions shall become a part of this Agreement without further action by either party. All surveys, tests, studies, or audits (aside from the legal description and land survey mentioned above in this section) required by Regents shall be paid for by Regents at Regents' sole cost and expense.

(d) Regents has approved the closing of this transaction and more particularly the Board of Regents of the University of Idaho have specifically and finally approved the terms of this transaction in accordance with their policies and procedures.

(e) Regents has consented to Precedent Sales Contract and therefore permitted the purchase price adjustment as described in Section 6 of this Agreement.

10. ESCROW HOLDER.

Prior to closing, the parties shall open an escrow with Latah County Title ("**Escrow Holder**"). After all of the conditions of closing as set forth in Sections 7 and 8 have been met or waived, Palouse shall deposit into escrow duly executed and acknowledged quitclaim deeds conveying the Palouse Property and the reversionary rights described in Section 3 of this Agreement to Regents, subject only to those exceptions specifically approved in writing as the Regents Permitted Exceptions, together with instructions to deliver and record the quitclaim deeds when (a) Escrow Holder is in a position to transfer the Regents Property to Palouse, subject only to the Palouse Permitted Exceptions, and (b) recordation of easement termination described in Section 7(a) of this Agreement. After all of the conditions of closing as set forth in Sections 7 and 9 have been met or waived, Regents shall deposit into escrow a duly executed and acknowledged quitclaim deed conveying the Regents Property to Palouse, subject only to the Palouse Permitted Exceptions together with instructions to deliver and record the quitclaim deed when Escrow Holder is in a position to transfer the Palouse Property to Regents, subject only to the Regents Permitted Exceptions.

11. CLOSING.

Closing shall be the date on which the Exchange Quitclaim Deeds are recorded which shall be as soon as practicable after all conditions set forth in Sections 7, 8 and 9 have been satisfied or waived. Possession passes to each respective party on closing. Closing shall not occur prior to August 1, 2010.

12. SECTION 1445 AFFIDAVIT.

At or prior to closing, Palouse shall deliver to Regents an affidavit in compliance with Section 1445 of the Internal Revenue Code providing Palouse's United States taxpayer identification number and business address and stating whether or not Palouse is a "foreign person" as defined in the Internal Revenue Code and regulations applicable thereto ("**Code**"). If Palouse fails to deliver such affidavit or is a "foreign person" as defined in the Code, Regents shall be entitled to withhold from the purchase price, and to pay to the Internal Revenue Service, such amounts as are required to be withheld by the Code, and Palouse agrees to cooperate with Regents and to furnish Regents with such tax forms and information as are reasonably required to insure Regents' compliance with the Code.

13. COSTS.

Escrow fees, title insurance premiums for issuance of standard owner's policies of title insurance as required by Sections 8(f) and 9(b) and recording fees for all deeds and easement terminations for each parcel shall be paid by the party acquiring that specific property. Taxes,

rentals and utilities shall be prorated as of the time of closing. Regents is a tax exempt entity and the Regents Property is not currently subject to property taxation. As such, property taxes shall not be prorated for the Regents Property and Palouse shall be responsible for all property taxes charged against the Regents Property after the date of closing.

14. COMMISSIONS.

Each party represents and warrants that it has not dealt with or contracted with any broker, agent or finder to act in their behalf in connection with this transaction except for Shelley L. Bennett, Team Idaho Real Estate ("**Broker**") who was retained by Palouse. Palouse agrees that it shall be solely responsible for all brokerage commissions and fees due to Broker and that said commissions and fees shall be paid by Palouse from the purchase price out of escrow.

15. REPRESENTATION CONFIRMATION.

Check one (1) box in Section 1 below and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with Regents and Palouse.

Section 1:

- ☐ The brokerage working with Regents is acting as an AGENT for Regents.
- ☐ The brokerage working with Regents is acting as a LIMITED DUAL AGENT for Regents, without an ASSIGNED AGENT.
- ☐ The brokerage working with Regents is acting as a LIMITED DUAL AGENT for the Regents, and has an ASSIGNED AGENT acting solely on behalf of Regents.
- ☒ The brokerage working with Regents is acting as a NONAGENT for Regents.

Section 2:

- ☒ The brokerage working with Palouse is acting as an AGENT for Palouse.
- ☐ The brokerage working with Palouse is acting as a LIMITED DUAL AGENT for Palouse, without an ASSIGNED AGENT.
- ☐ The brokerage working with Palouse is acting as a LIMITED DUAL AGENT for Palouse, and has an ASSIGNED AGENT acting solely on behalf of Palouse.
- ☐ The brokerage working with Palouse is acting as a NONAGENT for Palouse.

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review.

EACH PARTY UNDERSTANDS THAT HE OR SHE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKER UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

Listing Agency: Team Idaho Real Estate.
Selling Agency: None
Responsible Broker: Shelley L. Bennett

16. PROPERTIES SOLD AS-IS.

The provisions of this Section 16 shall survive closing. Each party is relying solely upon such party's inspections as to the condition of properties. Except as expressly set forth in this Agreement, neither party nor such party's employees or agents are making, have made and each party expressly disclaims any representations or warranties, express or implied, with respect to any aspect, feature or condition of the properties or this transaction including, without limitation, the existence of hazardous waste, or the suitability of the property for any intended use. Each party must independently verify all information and reports regarding any aspect or feature of the property. Each party is purchasing its respective property in "As Is" condition with all faults including both latent and patent defects and each party releases the other from any and all liability relating to any aspect or condition of the properties, known or unknown, foreseeable or unforeseeable, actual or contingent, arising by statute, common law or otherwise. As used herein "**hazardous waste**" shall mean any hazardous waste or pollutants, contaminants or hazardous waste as defined by the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1990 and any amendments thereto, the Resource Conservation and Recovery Act and any amendments thereto or any similar state, local or federal law, rule or regulation, including, without limitation, asbestos or asbestos containing materials, PCBs, petroleum and petroleum products and urea-formaldehyde.

17. SUCCESSORS.

This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

18. ATTORNEYS' FEES.

In the event either party initiates or defends any legal action or proceeding in any way connected with this Agreement, the prevailing party in any such action or proceeding (in addition to any other relief which may be granted, whether legal or equitable), shall be entitled to recover from the losing party in any such action its reasonable costs and attorneys' fees (including, without limitation, its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

19. DEFAULT.

(a) Neither party shall be deemed to be in default of this Agreement except upon the expiration of thirty (30) days (ten [10] days in the event of failure to pay money) from receipt of written notice from the other party specifying the particulars in which such party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement unless such party, prior to expiration of said thirty (30) day period (ten [10] days in the event of failure to pay money), has rectified the particulars specified in said notice of default.

(b) In the event of a default, the nondefaulting party may:

(i) Terminate this Agreement upon written notice to the defaulting party, and recover from the defaulting party all damages incurred by the nondefaulting party;

(ii) Seek specific performance of this Agreement, and, in addition, recover all damages incurred by the nondefaulting party. The parties declare it to be their intent that this Agreement may be specifically enforced;

(iii) Perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting party or recover said monies from the defaulting party; and

(iv) Pursue all other remedies available at law, it being the intent of the parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting party.

20. NOTICES.

(a) All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate party at the address set forth below:

Palouse: Dan Smith
Palouse River and Coulee City Railroad
315 W Third St
Pittsburg, KS 66762

Regents: Regents of the University of Idaho
Vice President, Finance and Administration
Box 443168
Moscow, ID 83844-3168

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt.

(b) For the purpose of this Agreement, the term "**receipt**" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to subparagraph (a) above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to subparagraph (a) above, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

21. CAPTIONS AND HEADINGS.

The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

22. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement shall be construed as a whole and not strictly for or against any party.

23. CONSTRUCTION.

In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular. Furthermore, "**person**" shall include individuals, partnerships, firms, associations, corporations, trusts, governmental agencies, administrative tribunals or any other form of business or legal entity.

24. TIME PERIOD COMPUTATION.

All time periods in this Agreement shall be deemed to refer to calendar days unless the time period specifically references business days; provided that if the last date on which to perform any act or give any notice under this Agreement shall fall on a Saturday, Sunday or local, state or national holiday, such act or notice shall be deemed timely if performed or given on the next succeeding business day.

25. BINDING AGREEMENT.

This Agreement shall not be binding or enforceable until both parties have fully executed this Agreement and have delivered to each other an original counterpart of this Agreement fully executed by the delivering party.

26. 1031 EXCHANGE.

Regents acknowledges that Palouse may wish to structure this transaction as a tax deferred exchange of like-kind property within the meaning of Section 1031 of the Code.

Regents agrees to reasonably cooperate with Palouse to effect such an exchange; provided, however, that (i) Regents not be required to acquire or take title to any exchange property, (ii) Regents shall not be required to incur any expense (excluding attorneys' fees) or liability whatsoever in connection with the exchange, including, without limitation, any obligation for the payment of any escrow, title, brokerage or other costs incurred with respect to the exchange, (iii) no substitution of Palouse shall release Palouse from any of its obligations, warranties or representations set forth in this Agreement or from liability for any prior or subsequent default under this Agreement by Palouse, its successors or assigns, which obligations shall continue as the obligations of a principal and not of a surety or guarantor, (iv) Palouse shall give Regents at least five (5) business days' prior notice of the proposed changes required to effect such exchange and the identity of any party to be substituted in the escrow, (v) Palouse shall be responsible for preparing all additional agreements, documents and escrow instructions (collectively, the "**Exchange Documents**") required by the exchange, at its sole cost and expense, and (vi) Palouse shall be responsible for making all determinations as to the legal sufficiency, tax considerations and other considerations relating to the proposed exchange, the Exchange Documents and the transactions contemplated thereby, and Regents shall in no event be responsible for, or in any way be deemed to warrant or represent any tax or other consequences of the exchange transaction arising by reason of Regents' performance of the acts required hereby.

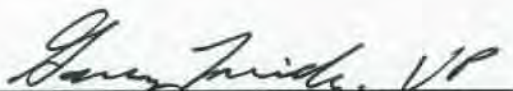
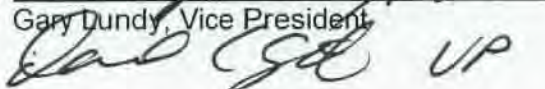
27. NO THIRD PARTY BENEFICIARY RIGHTS.

This Agreement is not intended to create, nor shall it in any way be interpreted or construed to create, any third party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

EXECUTED as of the date first above written.


PALOUSE:

Palouse River and Coulee City Railroad, Inc.

By:  VP
 Gary Dundy, Vice President
 VP

REGENTS:

Regents of the University of Idaho

By: 
 Lloyd E. Mues, Vice President Finance
 and Administration

List of Exhibits

Exhibit A – Diagram of Palouse and Regents Property

Exhibit B – Quitclaim Deed dated November 9, 2009 Between Palouse and MacGregor Company

Exhibit C – Draft Easement Termination for Rail Line Easement

Exhibit D – Draft Quitclaim Deed of Reversionary Interest from Palouse to Regents

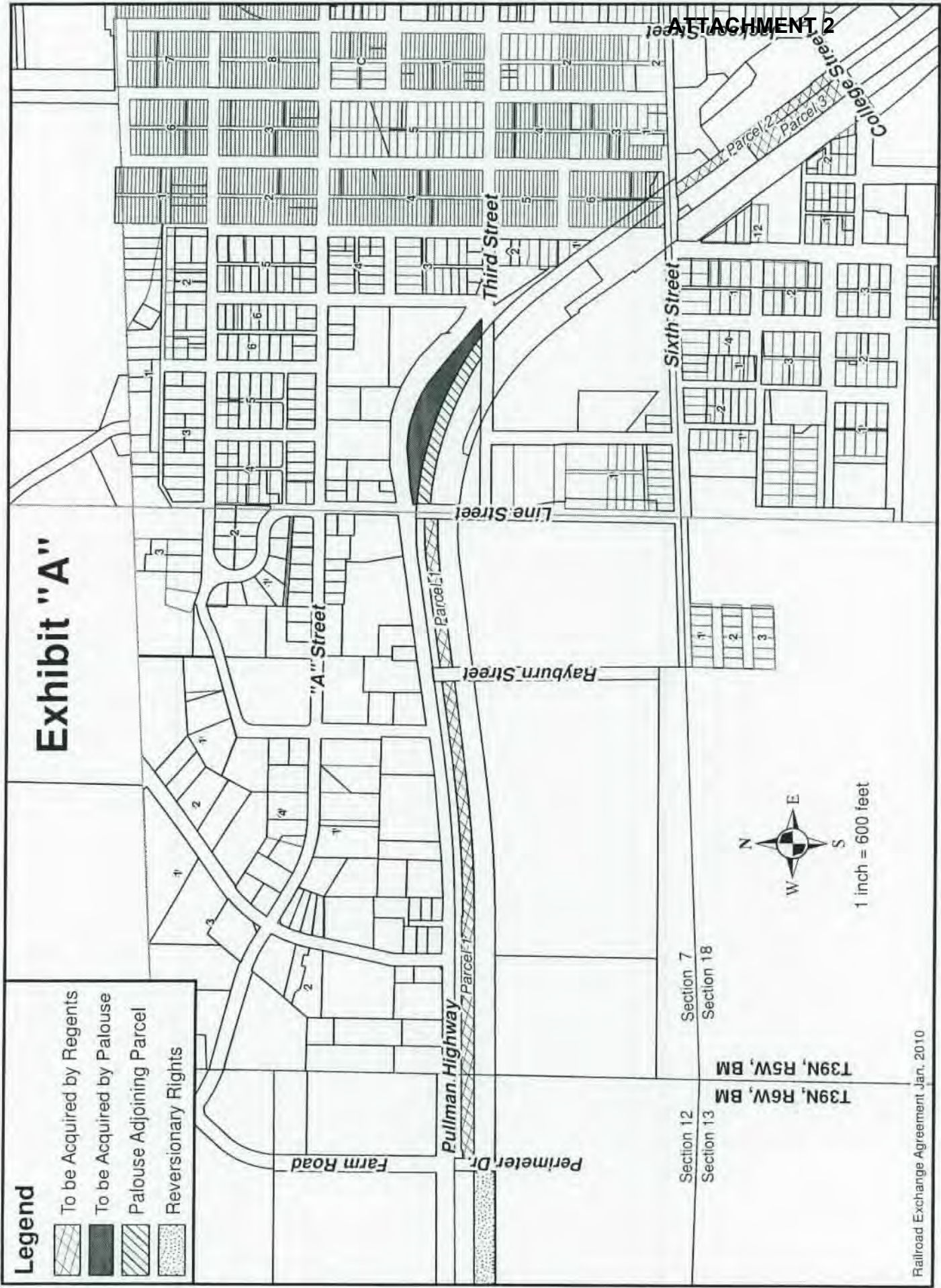


Exhibit B

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Latah County Title
106 E. Second
PO Box 8924
Moscow, ID 83843

No. 533985

AT THE REQUEST OF:

Shelley Bennett

DATE & HOUR:

12-01-09 11:37 am

SUSAN PETERSEN
LATAH COUNTY RECORDER

Fee \$ 9.00 BY C. Johns

Picked up Deputy

(Space Above For Recorder's Use)

QUITCLAIM DEED

This Quitclaim Deed is made this 9th day of November, 2009, between PALOUSE RIVER AND COULEE CITY RAILROAD, INC., a Washington corporation ("Grantor") and THE MCGREGOR COMPANY, a Washington corporation; ("Grantee"), with an address of 401 Airport Rd., Colfax, WA 99111, witnesseth:

Grantor, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does by these presents remise, release and forever quitclaim unto Grantee and to Grantee's successors and assigns, all right, title and interest now owned in the following:

A parcel of land being a portion of the 100 foot wide railroad right of way commonly known as the Northern Pacific Railway Company (NPRR) Lewiston Branch line right of way, within the south half of the south half of Section 12, Township 39 North, Range 6 West of the Boise Meridian, Latah County, Idaho, and being 50 feet in width on each side of, and parallel with, the centerline of the main track rail line described as follows:

Beginning at railroad mile post 84.03 at the intersection of the centerline of said rail line and the Idaho-Washington State Line, from which Mile Post 21 on the State Line bears S 00°58'04" W, 1370.68 feet;

Thence along the rail line centerline, N 89°36'44" E, 4545.60 feet to the west line of Perimeter Drive as described in a quitclaim deed conveyed to the City of Moscow, Recorder's file number 495434.

Containing 8.74 acres, more or less

The sidelines of said parcel shall be lengthened or shortened to terminate on the Idaho-Washington State line and the west line of Perimeter Drive.

SUBJECT TO the following reversionary interest: In the event that rail service is ever discontinued to The McGregor Company, currently located at 7605 State

533985

Route 270, outside of Pullman, Washington, and near the Idaho state line, and the rail line removed, title to the real estate shall revert to the Grantor. Provided, however, that Grantee shall have the right to retain title, in that event, to such portion of the above property that Grantee deems reasonably necessary to provide an alternate route of such width and length so as to ensure legal and practicable ingress and egress to the Grantee's property located adjacent to the Washington/Idaho state line at 7605 State Route 270. Such alternate route shall be placed in a method and manner to meet the needs of Grantee, but in no event shall it exceed 850' in length from the Idaho State Line and proceeding East. Said reversionary interest shall be in the real property only and Grantor shall have no interest in any rail or track located on said real property as of the time of this conveyance.

ALSO SUBJECT TO all existing interests, including but not limited to all reservations, rights of way, leases, agreements, and easements of record or otherwise.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder or remainders, rents, issues, and profits thereof. To have and to hold all and singular and to its successors and assigns forever.

IN WITNESS WHEREOF, Grantor has hereunto set its hand the day and year first above written.

GRANTOR:

PALOUSE RIVER AND COULEE CITY
RAILROAD, INC., a Washington corporation

By: 

GARY L. LUNDV, Vice-President

533985

STATE OF Kansas)
County of Crawford) ss.

On this 4th day of November, 2009, before me, Gary Bundy, a Notary Public in and for said State, personally appeared GARY L. LUNDY, known or identified to me to be the Vice-President of the Board of Directors for PALOUSE RIVER AND COULEE CITY RAILROAD, INC., a Washington corporation, that executed the instrument, or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year herein above first written.

Lori J. Magall
Notary Public for the State of Kansas
Residing at Pittsburg KS
My commission expires 8/16/2012

Exhibit C

EASEMENT TERMINATION AND QUIT CLAIM

THIS EASEMENT TERMINATION AND QUIT CLAIM made this ____ day of _____, 20__, between PALOUSE RIVER AND COULEE CITY RAILROAD, INC., a Washington corporation, herein referred to as "**Grantor**," and REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate and state educational institution organized and existing under the constitution and laws of the State of Idaho, herein referred to as "**Grantee**" witnesseth:

That Grantor, upon being granted an abandonment exemption by the Surface Transportation Board as ordered in STB Docket No. AB-570 (Sub-No. 3X), decided September 9, 2009, and for good and valuable consideration of one dollar, the receipt whereof is hereby acknowledged, and in accordance with the provisions of Section 12 (b) of that Rail Line Easement Agreement between the parties hereto and dated December 20, 2004 and recorded by the Latah County Recorder, Latah County, Idaho as Instrument Number 495410 on April 27, 2005 (as shown in the attached Exhibit A), does hereby terminate and REMISE, RELEASE, and QUIT CLAIM, unto Grantee and its successors and assigns forever, those rights, title, and interests in real property established by said Rail Line Easement as more particularly described in said Exhibit 'A'.

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, in law as well as in equity of the Grantor in or to the said property, and all and singular the tenements, hereditaments, and appurtenances thereunto belonging.

IN WITNESS WHEREOF, Grantor has hereunto set its hand on the day and year first above written.

GRANTOR:**Palouse River and Coulee City Railroad, Inc.**

By: _____

Exhibit Only

GRANTEE:**Regents of the University of Idaho**

By: _____

Lloyd E. Mues, Vice President
Finance and Administration

STATE OF)
) ss.
County of)

On this ____ day of _____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Gary Lundy, known to me to be the Vice President of the Palouse River and Coulee City Railroad, Inc, the entity that executed the instrument, and acknowledged to me that he executed the same for and on behalf of the Palouse River and Coulee City Railroad.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for _____
Residing at _____
My Commission Expires: _____

STATE OF IDAHO)
) ss.
County of Latah)

On this ____ day of _____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Lloyd E. Mues, known to me to be the Vice President for Finance & Administration of the University of Idaho, the University that executed the instrument, and acknowledged to me that he executed the same for and on behalf of the Board of Regents of the University of Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My Commission Expires: _____

Exhibit D

QUITCLAIM DEED FOR REVERSIONARY RIGHTS

THIS QUITCLAIM DEED made this ____ day of _____, 2010, between PALOUSE RIVER AND COULEE CITY RAILROAD, INC, A Washington corporation, herein referred to as "Grantor," and the BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, a body politic and corporate organized and existing under the laws and constitution of the State of Idaho, herein referred to as "Grantee" witnesseth:

That Grantor, for good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby REMISE, RELEASE, and QUITCLAIM, unto Grantee and its successors and assigns forever all of Grantor's reversionary rights to real property established and as more particularly described by that quitclaim deed dated November 9, 2009 and recorded by the Latah County Recorder's Office as Instrument Number 533985 on December 1, 2009, and as shown in Exhibit 'A' attached hereto and by this reference incorporated herein.

Together with all estate, right, title, interest, property, possession, claim and demand whatsoever, in law as well as in equity of the Grantor in or to the said property, and all and singular the tenements, hereditaments, and appurtenances thereunto belonging.

IN WITNESS WHEREOF, Grantor has hereunto set its hand on the day and year first above written.

GRANTOR: Palouse River and Coulee City Railroad, Inc.

By: Exhibit Only

STATE OF _____)
County of _____) ss,
_____)

On this ____ day of _____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Gary L. Lundy, and known to me to be the Vice President of Palouse River and Coulee City Railroad, Inc., and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for _____
Residing at _____
My Commission Expires: _____

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**PERMANENT PUBLIC ACCESS AND
UNDERGROUND UTILITY EASEMENT**

KNOW ALL MEN BY THESE PRESENTS, that The Regents of the University of Idaho (UNIVERSITY), a public corporation, state educational institution, and a body politic and corporate organized and existing under the Constitution and laws of the state of Idaho (hereinafter “GRANTOR”), and in consideration of ONE DOLLAR (\$1) and other valuable consideration in hand paid, receipt of which is hereby acknowledged, does hereby grant and convey to City of Moscow, Idaho, a municipal corporation of the State of Idaho, 206 East Third Street, Moscow, Idaho, 83843 (hereinafter “GRANTEE”), and its successors and assigns, a permanent public access and underground utility easement and right-of-way, together with their attendant customary uses, including ingress and egress, over, through, across, along, and under, and the right to go upon, occupy, improve, and use that certain lot, tract or parcel of land situated in the County of Latah, State of Idaho, shown in Exhibit “A” attached hereto and more particularly described as follows:

[WORKING DESCRIPTION TO BE VERIFIED BEFORE SIGNING]

- A. Such Permanent Public Access and Underground Utility Easement is made for purposes of constructing, illuminating, operating, maintaining, having access to and across, altering, improving, landscaping and/or repairing surface and underground utilities, roadways, pathways, facilities, installations and the like.
- B. GRANTEE hereby releases and will protect, defend, indemnify, and save harmless GRANTOR, its heirs, successors or assigns from and against all claims, liabilities, demands, actions at law and equity (including without limitation claims and actions under the Federal Employer’s Liability Act), judgments, settlements, losses, damages, and expenses of every character whatsoever (hereinafter collectively referred to as “Claims”) for injury or death of any person or persons whomsoever and for damage to or loss or destruction of property of any kind by whomsoever owned, caused by, resulting from, arising out of, or occurring in connection with GRANTEE’s construction, maintenance, alteration, repair, relocation, renewal, removal, use or presence of the Permanent Public Access and Underground Utility Easement, or incidental to or appertaining thereto.
- C. GRANTOR agrees that it and its heirs, successors or assigns shall not build or place any new encroachment thereon which will unreasonably interfere with the right of GRANTEE or members of the general public to exercise this Permanent Public Access and Underground Utility Easement, nor will it restrict the use of such Permanent Public Access and Underground Utility Easement by Crites-Moscow Growers, Incorporated, Crites Seed, Incorporated at its current level, intensity, and character.

- D. GRANTEE, its agents, contractors, heirs, and/or assigns, shall have the right but shall not be obligated to perform any construction, maintenance and/or repair it may deem necessary or wish to exercise in connection with the aforesaid Permanent Public Access and Underground Utility Easement including, but not limited to the right to make construction, repair, alteration, improvement of the property, illumination, placement and maintenance of pathways, facilities, structures, installations, surface and/or underground utilities and landscaping.
- E. This Permanent Access and Underground Utility Easement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.
- F. The permission hereby afforded shall be the personal privilege of GRANTEE, and no assignment or transfer thereof by operation of law or voluntary act of GRANTEE shall be made, or other use of the Permanent Public Access and Underground Utility Easement be permitted as herein provided, without the prior consent of GRANTOR, its heirs, successors or assigns, and it is agreed that any transfer or assignment of this Permanent Public Access and Underground Utility Easement, whether voluntary, by operation of law or otherwise, without such consent in writing, shall be absolutely void and, at the option of the GRANTOR, its heirs, successors or assigns, shall terminate this Easement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this _____ day of _____, 2010.

GRANTOR
University of Idaho

GRANTEE
City of Moscow, Idaho

Vice President for Finance and Administration

Nancy Chaney, Mayor

ATTEST

Stephanie Kalasz, City Clerk

STATE OF IDAHO)
) ss:
COUNTY OF LATAH)

On this _____ day of _____, 2010, before me, the undersigned, a Notary in and for said State, personally appeared _____, an Agent for the University of Idaho, Board of Regents, known to me to be the person whose name is subscribed to the foregoing Permanent Public Access and Underground Utility Easement and acknowledged to me that he/she executed the same in behalf of and as the duly authorized representative of University of Idaho, and has the authority to bind University of Idaho to this Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

Notary Public for the State of Idaho
Residing at _____
My commission expires: _____

Easement/UndergroundUtility/UI;City/pm

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

UNIVERSITY OF IDAHO

SUBJECT

Capital Project Authorization Request, Janssen Engineering Building Renovations and Improvements

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.K.1 & V.K.2.

BACKGROUND/DISCUSSION

This is an initial request for regent's authorization to implement planning and design phase work towards an eventual series of architectural, mechanical and electrical renovations and improvements to the Janssen Engineering Building located on the main campus of the University of Idaho, Moscow.

At this time the University's request is limited to the planning and design phases. This request is based upon an initial feasibility study commissioned by the University.

The Janssen Engineering Building was completed and occupied in 1950. It is now 60 years old, and there have been modest improvements since the original construction. Finishes and systems are in need of update and/or replacement. In addition, social and cultural shifts since the 1950s highlight the need to renovate programmatic spaces that are no longer suited for today's environment or needs.

Recently, the University commissioned Design West Architects, Nampa, Idaho, to conduct an initial feasibility study for desired architectural, mechanical and electrical renovations and improvements to several spaces on the first floor of the Janssen Engineering Building to accommodate a Student Services Center. The project consists of a series of newly defined spaces within the existing building to provide student services and meeting facilities and to showcase the latest technology in the College of Engineering.

The study provided a menu of renovation and improvement options that if implemented in full, will result in a total capital project cost of \$677,000. The University is working to raise private development gift funds to supplement \$200,000 in existing college funds for the purpose of allowing this set of improvements to proceed.

At this time the University is requesting authorization to proceed with the planning and design phase for these renovations and improvements. The planning and design costs are estimated at \$100,000.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

It is the intent of the University to proceed with planning and design in parallel with continuing efforts to raise the private development gift funds necessary to complete the construction phase of the project. Materials produced in the planning and design state will assist the University in its fund raising efforts.

As the planning and design phase moves forward, the University will report any variations or deviations from the project cost estimate, if any. The University will return to the Board at such time that required construction phase funds have been raised to seek construction phase authorization prior to proceeding beyond the planning and design phases.

The project is fully consistent with the university's strategic plan and the University's Long Range Capital Development Plan (LRCDP).

IMPACT

The immediate fiscal impact of this effort is \$100,000. The project fund source is a combination of existing university funds and privately gifted development funds given to the University for the specific and intended purpose.

The eventual fiscal impact, should all funds be raised and further authorization be granted for the construction phase is \$677,000.

Capital Project Authorization History

April 2010	Authorization (Planning/Design)	\$ 100,000
Total Authorization Request		\$ 100,000

Funding

State	\$ 0
Federal (Grant):	0
Other (Gift)	<u>100,000</u>
Total	\$ 0

Estimate Budget

Construction	\$ 0
A/E & Consultant Fees	85,000
Contingency	<u>15,000</u>
Total	\$ 100,000

ATTACHMENTS

Attachment 1–Capital Project Tracking Sheet

Page 5

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

STAFF COMMENTS AND RECOMMENDATIONS

Staff finds that this request meets Board Policy for review and approval prior to commencement of formal planning to make capital improvements. Staff recommends approval.

BOARD ACTION

A motion to approve the request by the University of Idaho to implement the planning and design phases only of the capital project for renovations and improvements on the Janssen Engineering Building in the amount of \$100,000. Authorization includes the authority to execute all necessary and requisite consulting and vendor contracts to implement the planning and design phase of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of April 2010

History Narrative

- 1 Institution/Agency:** University of Idaho **Project:** Janssen Engineering Building Student Services Center Renovations and Improvements, University of Idaho, Moscow, Idaho
- 2 Project Description:** Design phase work towards an eventual renovation and improvement to the Janssen Engineering Building located on the main campus of the University of Idaho, Moscow, Idaho.
- 3 Project Use:** Project will renovate and improve several spaces on the first floor of the Janssen Engineering Building, University of Idaho, Moscow, Idaho. The spaces to be improved are on the first floor to accommodate a Student Services Center. Initial project Authorization request is for planning and design phase. Total Project Cost to include future construction phase is eventually estimated to be \$677,000.
- 4 Project Size:** N/A

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds Const	Other**	Total Uses
Initial Cost of Project	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 85,000	\$ -	\$ 15,000	\$ 100,000
History of Revisions:								
Total Project Costs	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 85,000	\$ -	\$ 15,000	\$ 100,000

	* Other Sources of Funds						
	PBF	ISBA	Institutional Funds (Gifts/Grants)	Student Revenue	Other	Total Other	Total Funding
History of Funding:							
Initial Authorization Request, Design Phase Only, April 2010					\$ 100,000	\$ 100,000	\$ 100,000
Total	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000

* Privately developed gift revenue raised specifically for this purpose. UI will report back to the Board of Regents any resulting revisions to the project estimate resulting from the design process and seek additional project authorization prior to bidding the construction project.

** Project Contingency

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

Discussion of FY 2012 Budget Request Process (Line Items)

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Policy, Section V.B.1.

BACKGROUND/ DISCUSSION

Board-approved budget requests for FY 2012 must be submitted to the executive and legislative branches [Division of Financial Management (DFM) and Legislative Services Office (LSO)] on September 1, 2010. To meet this deadline, the Board has established a process for developing agency and institutional requests that will be finalized at the June 2010 Board meeting. Budget requests are developed in two parts as directed by the DFM Budget Development Manual: maintenance of current operations (MCO) items and line items.

MCO requests are calculated using state budget guidelines and Board policy. Line item requests are defined by the Board, representing the unique needs of the higher education institutions (or system), and agencies. The Board's budget request guidelines have historically focused upon the development of line item requests, capital budget requests, special one-time requests (if any), and the timeframe for presenting and approving these requests.

An MCO request includes funding for health insurance or other personnel cost increases (Change in Employee Compensation or CEC), inflationary increases for operating expenses (including utilities), and central state agency cost areas (Treasurer, Controller, etc.). These items are calculated using rates established by DFM. Other MCO items include external non-discretionary adjustments such as student enrollment increases and health education contract adjustments.

An MCO budget is considered the minimum to maintain operations while line items are funded for new or expanded programs, occupancy costs, and other initiatives deemed important by the Board, institution/agency, legislature or governor.

The capital budget request is a separate process with funding provided by the Permanent Building Fund. Agencies and institutions seek funding for major maintenance projects and major capital projects through that process.

STAFF COMMENTS AND RECOMMENDATIONS

Under current economic conditions, it is estimated that state funding will continue to be austere. If this is the case, a just true MCO budget including health benefits, inflation, replacement capital and an enrollment workload adjustment would be greatly appreciated. Therefore, staff recommends line items only include occupancy costs and funds for the existing level of support for CAES.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

CAES was funded with one-time federal stimulus funds, which is why this project will need to be funded with general funds on an ongoing basis.

The Professional-Technical Education (PTE) secondary workload adjustment and capacity building are similar to the enrollment workload adjustment contained in the maintenance level budget of the college and universities budget request, but they have been designated by LSO as line items. Prioritizing these will assure that this maintenance level item is included in the agency's budget request.

The Opportunity Scholarship was appropriated \$10,000,000 in general funds in FY 2007 and FY 2008 for a total corpus of \$20,000,000. In both FY 2008 and FY 2009, the state appropriated \$1,925,000 for the payment of scholarships. The FY 2010 appropriation included the payment of \$1,000,000 in scholarships from the Opportunity Scholarship fund. The legislature did not appropriate state funds for FY 2011, but scholarships will be paid from interest earnings approximating \$1,000,000.

The information included in the final budget request must include supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

BOARD ACTION

A motion to direct the agencies and institutions to use the following categories in priority order to develop FY 2012 Line Item budget requests:

1. Occupancy Costs
2. PTE secondary workload adjustment and capacity building
3. Center for Advanced Energy Studies (CAES)
4. Opportunity Scholarship
5. Strategic Initiative(s)

Moved by_____ Seconded by_____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

FY 2011 Appropriation Information – Institutions and Agencies of the State Board of Education

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.
Various Legislative Appropriation Bills (tab 10a page 3)

BACKGROUND/ DISCUSSION

The 2010 legislature has passed appropriation bills for the agencies and institutions of the Board. The amounts contained in legislative appropriations include various ongoing base reductions from FY 2010 and further reductions for FY 2011 for the Community Colleges and the College and Universities. Included for the College and Universities and Community Colleges are stimulus funds from the federal American Recovery and Reinvestment Act.

The table on tab 10a page 3 lists the FY 2011 appropriation bills related to the State Board of Education. As of agenda preparation time, most bills were pending signature by the Governor.

IMPACT

Appropriation bills provide spending authority for the agencies and institutions of the State Board of Education allowing them to offer programs and services to Idaho's citizens.

There are no public works appropriations for major capital projects for the agencies and institutions. The Permanent Building Fund Advisory Council approved \$11,324,800 for alteration and repair projects for the institutions and agencies under the Board. These projects are managed by the Division of Public Works.

Due to the continuing economic downturn, no funding was provided for inflation, Enrollment Workload Adjustment (EWA), replacement capital, or occupancy. Although no funding for EWA was provided, University of Idaho lost \$706,300 by operation of the EWA formula. Normally this amount would have been reallocated to the other institutions, but JFAC approved a line item which transferred the \$706,300 out of the College and Universities budget to the separately budgeted Health Education Programs in an effort to minimize cuts to those programs whose costs are largely fixed by contracts.

The balance of the unfunded EWA for the FY 2010 budget request is:

	<u>2010</u>	<u>2011 Change</u>	<u>2011</u>
Boise State University	\$1,974,400	\$3,957,400	\$5,931,800
Idaho State University	\$172,200	2,270,700	\$2,447,900
University of Idaho	\$0	\$0	\$0
Lewis-Clark State College	\$170,300	\$45,400	\$215,700

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

The intent language of the Health Programs appropriation bill states it is the intent of the Legislature that by restoring a majority of the 7% reductions and including required contract inflation all current medical, dental, veterinary, and residency programs in Idaho will remain fully intact for fiscal year 2011. It directs the State Board of Education to not reduce the number of seats or slots available in any of the Health Education Programs with the exception of the Optometry Program seats, which can be reduced as determined by the Board. Further, it directs the Board to maintain the current level of education seats in all other programs through either increases in student fees, reduction in costs, or contract renegotiations. Finally, it directs the Board to review and renegotiate all contracts for the Health Education Programs in Idaho to allow for contract adjustment in times of fiscal crisis that allow for immediate modification to the program if appropriation amounts are reduced.

Agencies of the Board

One-time federal funds for the College Access Grant were removed from the Office of the State Board of Education budget.

For the Division of Professional-Technical Education (PTE), the State General Fund reflects an overall decrease of 7.80% from the original FY2010 appropriation. (Due to holdbacks and rescissions, PTE fell below the FY10 maintenance of effort requirement to receive federal Carl D. Perkins funding. As a result, 2-3 years from now once the audit is done and the exact amount is finalized the State will be required to pay back a negotiated amount. At that point PTE would seek a supplemental appropriation or line item to pay back to the federal government.) The PTE appropriation included maintenance level decreases for statewide cost allocation and two employer health insurance premiums.

ATTACHMENTS

Attachment 1 – FY 2011 Appropriations List

Page 3

STAFF COMMENTS

The information provided will be published on the State Board of Education web page.

BOARD ACTION

Motions are included for each specific institution and agency allocation.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

ATTACHMENT 1

State Board of Education
FY 2011 Appropriations of Interest to Institutions and Agencies

	General Fund	% Inc. From FY 2010	Total Fund
<u>College and Universities</u>			
General Education/Systemwide	\$217,510,800	(14.1%)	\$377,686,300
Agricultural Research & Extension	22,559,000	(9.7%)	22,609,000
Community College support	23,966,800	(9.2%)	25,027,800
Health Education Programs	9,960,600	0.2%	10,625,100
Special Programs	8,690,100	(7.6%)	9,158,800
<u>Agencies</u>			
Office of the State Board of Education	2,025,200	(9.8%)	3,450,600
Professional-Technical Education	47,577,400	(7.8%)	57,908,900
Public Broadcasting System	1,390,500	(16.2%)	2,413,900
Vocational Rehabilitation, Division	7,198,900	(6.8%)	23,172,500
State Department of Education	6,558,100	(8.6%)	33,631,100
<u>Public School Support</u>			
Division of Facilities	14,400,000	19.6%)	17,900,000
Division of Operations	406,584,400	0.2%	504,587,500
Division of Teachers	684,694,100	(1.7%)	718,615,900
Division of Administrators	76,138,900	(0.2%)	76,573,400
Division of Children's Programs	25,384,300	(16.4%)	257,085,900
Deaf & Blind Services	7,078,700	(2.6%)	7,565,800
Total Public School Support	1,214,280,400	(1.6%)	1,582,328,500

Statewide Issues

Permanent Building Fund

Alterations and repair projects; no major capital projects

S1445 gives the Governor the ability to access up to \$27,944,600 from the FY2011 Permanent Building Fund budget for the purpose of balancing the State's FY 2010 budget.

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BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 22, 2010

SUBJECT

FY 2011 College and Universities Appropriation Allocation

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.C.1.d. and V.S.

Senate Bill 1419

BACKGROUND/ DISCUSSION

The legislature appropriates to the State Board of Education and the Board of Regents monies for the general education programs at Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs. The Board allocates the lump-sum appropriation to the four institutions based on legislative intent and Board Policy, Section V.S.

According to Board policy, the allocation is made in the following order: 1) each institution shall be allocated its prior year base; 2) funds for the Enrollment Workload Adjustment; 3) funds for new occupancy costs; 4) funding of special allocations; and 5) a general allocation based on proportionate share to total budget request.

IMPACT

This action allocates the FY 2011 College and University lump-sum appropriation to the institutions for general education programs, and system-wide needs. The funds allocated along with revenue generated from potential fee increases will establish the operating budgets for the general education program for FY 2011. The FY 2011 Allocation, shown on page 3, consists of the lump-sum appropriation.

ATTACHMENTS

Attachment 1 - C&U FY 2011 Appropriation Allocation

Page 3

Attachment 2 - Appropriation bill

Page 5

Attachment 3 - Statement of Purpose/Fiscal Note

Page 7

STAFF COMMENTS

Staff recommends approval of the FY 2011 College and University allocation.

BOARD ACTION

A motion to approve the allocation of the FY 2011 appropriation for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as presented on Page 3.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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FY 2011 College and University Allocation
Based on Appropriation
 March 23, 2010

Appropriation:	FY10 Appr	FY11 Appr	% Chge	Sys Needs:	FY10 Appr	FY11 Appr
General Educ Approp: SB 1419				HERC	<u>1,341,000</u>	<u>1,435,500</u>
General Account	253,278,100	217,510,800	-14.12%	Tech Grants	<u>1,275,600</u>	<u>1,151,100</u>
Endowment Funds	9,616,400	9,616,600	0.00%	Sys Nds	<u>93,100</u>	<u>140,000</u>
ARRA Funds	15,313,800	4,305,900		Med. Ed.	<u>47,000</u>	
				Course Equ.	<u>144,000</u>	
Total Gen Acct & Endow Funds	<u>278,208,300</u>	<u>231,433,300</u>	-16.81%	Total	<u>2,900,700</u>	<u>2,726,600</u>
Student Fees/Misc Revenue	131,587,900	146,253,000	11.14%			
One-time Student Fees:						
Total Gen Educ Approp	<u>409,796,200</u>	<u>377,686,300</u>	-7.84%			
Allocation:	B.S.U.	I.S.U.	U.I.	L.C.S.C.	SYS-WIDE	TOTAL
FY10 General Account	78,352,400	65,809,500	92,748,000	13,467,500	2,900,700	253,278,100
FY10 ARRA Funds (one-time)	4,856,400	4,126,300	5,320,600	837,300	173,200	15,313,800
FY10 Endowment Funds	0	2,121,300	6,164,400	1,330,700	0	9,616,400
Governor's Holdback #1	(4,701,100)	(3,948,600)	(5,564,900)	(808,100)	(174,000)	(15,196,700)
Base Rescission	(1,572,800)	(1,226,300)	(1,537,300)	(273,400)	(100)	(4,609,900)
Base Reduction - ARRA Funds	(4,856,400)	(4,126,300)	(5,320,600)	(837,300)	(173,200)	(15,313,800)
Base Reduction - Research Dairy			(9,400,000)			(9,400,000)
One-Time Replacement Items	234,100	198,900	256,500	40,400	0	729,900
FY11 Budget Base	<u>72,312,600</u>	<u>62,954,800</u>	<u>82,666,700</u>	<u>13,757,100</u>	<u>2,726,600</u>	<u>234,417,800</u>
% Base Change	-7.71%	-4.34%	-10.87%	2.15%	0.00%	-7.45%
Additional Funding for FY11:						
MCO Adjustments:						
Personnel Benefits	(1,825,200)	(1,400,700)	(1,746,100)	(317,600)		(5,289,600)
Inflation including Library B&P	0	0	0	0		0
Replacement Items: One-Time	0	0	0	0		0
CEC @ 1.0%	0	0	0	0		0
Nonstandard Adjustments:						
Risk Mgmt/Controller/Treasurer	(309,800)	(319,200)	(473,200)	(78,300)		(1,180,500)
External Nonstandard Adjustments:						
Enrollment Workload Adjustment	0	0	0	0		0
Line Items	1,319,900	1,131,400	806,800	227,500	0	3,485,600
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Addl Funding	<u>(815,100)</u>	<u>(588,500)</u>	<u>(1,412,500)</u>	<u>(168,400)</u>	<u>0</u>	<u>(2,984,500)</u>
FY11 Gen Acct & Endow Allocation	<u>71,497,500</u>	<u>62,366,300</u>	<u>81,254,200</u>	<u>13,588,700</u>	<u>2,726,600</u>	<u>231,433,300</u>
% Change From FY10 Funding (line 14)	-8.75%	-5.23%	-12.39%	0.90%	-6.00%	-8.62%
% Chge From FY10 less One-time	-8.75%	-5.23%	-12.39%	0.90%	-6.00%	-8.62%
FY11 Estimated Student Fee Revenue	54,573,900	37,586,300	44,503,400	9,589,400	0	146,253,000
FY11 Operating Budget	<u>126,071,400</u>	<u>99,952,600</u>	<u>125,757,600</u>	<u>23,178,100</u>	<u>2,726,600</u>	<u>377,686,300</u>

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LEGISLATURE OF THE STATE OF IDAHO
Sixtieth Legislature Second Regular Session - 2010

IN THE SENATE

SENATE BILL NO. 1419

BY FINANCE COMMITTEE

AN ACT

REDUCING THE APPROPRIATION TO THE STATE BOARD OF EDUCATION FOR GENERAL EDUCATION PROGRAMS AT BOISE STATE UNIVERSITY, IDAHO STATE UNIVERSITY, LEWIS-CLARK STATE COLLEGE, THE UNIVERSITY OF IDAHO AND FOR THE OFFICE OF THE STATE BOARD OF EDUCATION FOR FISCAL YEAR 2010; APPROPRIATING MONEYS FOR GENERAL EDUCATION PROGRAMS AT BOISE STATE UNIVERSITY, IDAHO STATE UNIVERSITY, LEWIS-CLARK STATE COLLEGE, THE UNIVERSITY OF IDAHO AND FOR THE OFFICE OF THE STATE BOARD OF EDUCATION FOR FISCAL YEAR 2011; REAPPROPRIATING CERTAIN UNEXPENDED AND UNENCUMBERED BALANCES; ESTABLISHING AMOUNTS TO BE EXPENDED FOR SYSTEMWIDE PROGRAMS; PROVIDING LEGISLATIVE INTENT FOR AMERICAN RECOVERY AND REINVESTMENT ACT MONEYS; AND DECLARING AN EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. Notwithstanding any other provision of law to the contrary, the appropriation made to the State Board of Education and the Board of Regents of the University of Idaho for Boise State University, Idaho State University, the University of Idaho, Lewis-Clark State College, and the Office of the State Board of Education in Section 1, Chapter 207, Laws of 2009, is hereby reduced by the following amount for the period July 1, 2009, through June 30, 2010:

FROM:

General Fund	\$29,206,600
--------------	--------------

SECTION 2. There is hereby appropriated to the State Board of Education and the Board of Regents of the University of Idaho for Boise State University, Idaho State University, Lewis-Clark State College, the University of Idaho, and the Office of the State Board of Education the following amount to be expended for the designated programs from the listed funds for the period July 1, 2010, through June 30, 2011:

FOR:

General Programs	\$377,686,300
FROM:	
General Fund	\$217,510,800
American Reinvestment Fund	4,305,900
Agricultural College Endowment Income Fund	850,800
Charitable Institutions Endowment Income Fund	790,600
Normal School Endowment Income Fund	2,661,600
Scientific School Endowment Income Fund	2,984,400
University Endowment Income Fund	2,329,200
Unrestricted Fund	121,660,400

1	Restricted Fund	<u>24,592,600</u>
2	TOTAL	\$377,686,300

3 SECTION 3. There is hereby reappropriated to the State Board of Educa-
4 tion and the Board of Regents of the University of Idaho for Boise State Uni-
5 versity, Idaho State University, the University of Idaho, Lewis-Clark State
6 College, and the Office of the State Board of Education, any non-General Fund
7 unexpended and unencumbered balances of any appropriation contained in Sec-
8 tion 1, Chapter 207, Laws of 2009, to be used for nonrecurring expenditures
9 for the period July 1, 2010, through June 30, 2011.

10 SECTION 4. It is the intent of the Legislature that of the amount appro-
11 priated from the General Fund in Section 2 of this act:

12 (1) An amount not to exceed \$140,000 may be used by the Office of the
13 State Board of Education for systemwide needs;

14 (2) An amount not to exceed \$1,435,500 may be used for the mission and
15 goals of the Higher Education Research Council; and

16 (3) An amount not to exceed \$1,151,100 may be used by the State Board of
17 Education for instructional projects specifically designed to foster inno-
18 vative learning approaches using technology and to promote the Idaho Elec-
19 tronic Campus.

20 SECTION 5. As appropriated in Section 2 of this act, it is the intent of
21 the Legislature that the remaining \$4,305,900 of the college and university
22 allocation of one-time American Reinvestment and Recovery Act state fiscal
23 stabilization funds are to be allocated to the institutions of higher edu-
24 cation and systemwide programs in amounts determined by the State Board of
25 Education. Pursuant to Section 14004 of the American Recovery and Reinvest-
26 ment Act, uses of these funds may be for education and general expenditures,
27 but shall not be used for maintenance of systems, equipment or facilities.
28 After initial allocations to the institutions and systemwide programs, any
29 moneys allocated by the State Board of Education to the Center for Advanced
30 Energy Studies shall be divided equally among the University of Idaho, Idaho
31 State University and Boise State University, only.

32 SECTION 6. An emergency existing therefor, which emergency is hereby
33 declared to exist, Section 1 of this act shall be in full force and effect on
34 and after passage and approval.

STATEMENT OF PURPOSE

RS19844

This is the fiscal year 2010 rescission and fiscal year 2011 appropriation for the State Board of Education, College and Universities, in the amount of \$377,686,300.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2010 Original Appropriation	3,981.55	253,278,100	156,518,100	0	409,796,200
Reappropriation	0.00	0	44,610,700	0	44,610,700
Permanent Holdback	0.00	(29,206,600)	0	0	(29,206,600)
Omnibus Supplementals	0.00	0	729,900	0	729,900
Other Appropriation Adjustments	0.00	0	0	0	0
FY 2010 Total Appropriation	3,981.55	224,071,500	201,858,700	0	425,930,200
Noncognizable Funds and Transfers	(126.71)	0	22,981,700	0	22,981,700
FY 2010 Estimated Expenditures	3,854.84	224,071,500	224,840,400	0	448,911,900
Removal of One-Time Expenditures	(12.00)	0	(68,882,400)	0	(68,882,400)
Base Adjustments	(2.50)	729,900	0	0	729,900
FY 2011 Base	3,840.34	224,801,400	155,958,000	0	380,759,400
Benefit Costs	0.00	(5,289,600)	(88,600)	0	(5,378,200)
Inflationary Adjustments	0.00	0	0	0	0
Replacement Items	0.00	0	0	0	0
Statewide Cost Allocation	0.00	(1,180,500)	0	0	(1,180,500)
Change in Employee Compensation	0.00	0	0	0	0
Nondiscretionary Adjustments	0.00	0	0	0	0
Endowment Adjustments	0.00	(200)	200	0	0
FY 2011 Program Maintenance	3,840.34	218,331,100	155,869,600	0	374,200,700
Line Items					
College and Universities					
1. Critical Needs - ARRA Reallocation	0.00	0	4,305,900	0	4,305,900
2. Occupancy Costs	0.00	0	0	0	0
3. Center for Advanced Energy					
Studies	0.00	0	0	0	0
4. Move Moneys to Health Ed.	0.00	(706,300)	0	0	(706,300)
5. GF reduction for HESF	0.00	(114,000)	0	0	(114,000)
6. Transfers Millennium Fund Request	0.00	0	0	0	0
FY 2011 Total	3,840.34	217,510,800	160,175,500	0	377,686,300
Chg from FY 2010 Orig Approp	(141.21)	(35,767,300)	3,657,400	0	(32,109,900)
% Chg from FY 2010 Orig Approp.	(3.5%)	(14.1%)	2.3%	0.0%	(7.8%)

Contact:

Statement of Purpose / Fiscal Note

S 1419

Name: Paul Headlee
Office: Budget and Policy Analysis
Phone: (208) 334-4746

ATTACHMENT 3



BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

Community Colleges FY 2011 Appropriation Allocation

REFERENCE

June 2006 Board approved a process for distributing the FY 2007 State General Fund appropriation between North Idaho College (NIC) and the College of Southern Idaho (CSI)

APPLICABLE STATUTE, RULE, OR POLICY

Senate Bill 1415

BACKGROUND/ DISCUSSION

The legislature makes an annual appropriation to the State Board of Education for community college support. Traditionally, an informal agreement between the presidents of the two colleges resulted in the allocation of state General Funds equally (50%/50%) between CSI and NIC. In June, 2006, the Board approved the process for distributing the FY 2007 State General Fund appropriation between CSI and NIC. That process had a four year term from FY 2007 ending FY 2010.

This process has been a total success and academic student full-time equivalent (FTE) equity was met between the institutions in the FY 2009 distribution. Future funding of academic growth will be addressed by enrollment workload adjustment calculations and the corresponding funding. This would be essentially the same system and formula utilized by the college and university system.

Now that the term of the distribution process has ended, the community colleges agreed to use their current base allocation of the total appropriation going forward. Therefore, the FY 2011 allocation will include the FY 2010 allocation plus each college's respective share in any budget adjustments according to the normal budgeting process.

IMPACT

This action allocates the FY 2011 Community Colleges appropriation to the institutions. The funds allocated along with revenue generated from other non-appropriated sources will establish the operating budgets. The FY 2011 Allocation, shown on page 3, consists of the lump-sum appropriation.

ATTACHMENTS

Attachment 1 – FY 2011 CC Appropriations Allocation	Page 3
Attachment 2 - Appropriation bill	Page 5
Attachment 3 - Statement of Purpose/Fiscal Note	Page 6

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

STAFF COMMENTS

Staff recommends approval of the FY 2011 Community College allocation.

BOARD ACTION

A motion to approve the allocation of the FY 2011 appropriation for the College of Southern Idaho, North Idaho College, and College of Western Idaho, as presented on Page 3.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

**Idaho Community Colleges
Fy 11 Appropriation Allocation
23-Mar-10**

ATTACHMENT 1

SB 1415

	CSI	NIC	CWI	Total
1 Fy 09 Original Appropriation				
2 General Funds	13,169,600	11,496,800	5,000,000	29,666,400
3 Dedicated Funds	198,900	198,100	199,300	596,300
4 Total Fy 09 Orig. Appropriation	13,368,500	11,694,900	5,199,300	30,262,700
5				
6 Fy 10 Original Appropriation				
7 General Funds	11,762,100	10,058,700	4,586,200	26,407,000
8 ARRA Funds	730,700	632,000	277,500	1,640,200
9 Dedicated Funds	195,000	195,000	195,000	585,000
10 Dedicated Funds One-Time	3,000	3,000	1,700	7,700
11 Total Fy10 Orig. Appropriation	12,690,800	10,888,700	5,060,400	28,639,900
12				
13 Fy 10 Omnibus Rescission	(886,600)	(766,000)	(320,500)	(1,973,100)
14				
15 Fy 10 Total Appropriation				
16 General Funds	10,875,500	9,292,700	4,265,700	24,433,900
17 ARRA Funds One-time	730,700	632,000	277,500	1,640,200
18 Dedicated Funds	195,000	195,000	195,000	585,000
19 Dedicated Funds One-Time	3,000	3,000	1,700	7,700
20 Total Fy10 Total Appropriation	11,804,200	10,122,700	4,739,900	26,666,800
21				
22 Remove O/T Exp. ARRA	(730,700)	(632,000)	(277,500)	(1,640,200)
23 Remove O/T Exp. Dedicated	(3,000)	(3,000)	(1,700)	(7,700)
24 Other Base Adjustment: Dedicated	5,000	5,000	5,000	15,000
25				
26 Fy 11 Base				
27 General Funds	10,875,500	9,292,700	4,265,700	24,433,900
28 ARRA Funds	-	-	-	-
29 Dedicated Funds	200,000	200,000	200,000	600,000
30 Total Fy 11 Base	11,075,500	9,492,700	4,465,700	25,033,900
31				
32 DU 10.12 Health Insurance Holidays	(217,300)	(195,300)	(54,500)	(467,100)
33				
34 FY 11 Maintenance				
35 General Funds	10,658,200	9,097,400	4,211,200	23,966,800
36 Dedicated Funds	200,000	200,000	200,000	600,000
37 Total Fy 11 Base	10,858,200	9,297,400	4,411,200	24,566,800
38				
39 Fy 11 Line Items				
40 DU 12.01 Critical Needs ARRA	205,400	177,600	78,000	461,000
41				
42 Fy 11 Total Appropriation				
43 General Funds	10,658,200	9,097,400	4,211,200	23,966,800
44 ARRA Funds One-Time	205,400	177,600	78,000	461,000
45 Dedicated Funds	200,000	200,000	200,000	600,000
46 Fy 11 Total Appropriation	11,063,600	9,475,000	4,489,200	25,027,800
47				
48 Fy 11 Appropriation On Going	10,858,200	9,297,400	4,411,200	24,566,800
49				
50 GF Change from FY 09 Orig.	-19.1%	-20.9%	-15.8%	-19.2%
51 GF Change from FY 10 Orig.	-9.4%	-9.6%	-8.2%	-9.2%
52 GF Change from FY 10 Total	-2.0%	-2.1%	-1.3%	-1.9%

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LEGISLATURE OF THE STATE OF IDAHO
Sixtieth Legislature Second Regular Session - 2010

IN THE SENATE

SENATE BILL NO. 1415

BY FINANCE COMMITTEE

AN ACT

REDUCING THE APPROPRIATION TO THE STATE BOARD OF EDUCATION FOR COMMUNITY COLLEGES FOR FISCAL YEAR 2010; APPROPRIATING MONEYS TO THE STATE BOARD OF EDUCATION FOR COMMUNITY COLLEGES FOR FISCAL YEAR 2011; AND DECLARING AN EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. Notwithstanding any other provision of law to the contrary, the appropriation made to the State Board of Education for Community Colleges in Section 1, Chapter 254, Laws of 2009, is hereby reduced by the following amounts according to the designated expense class from the listed fund for the period July 1, 2009, through June 30, 2010:

FOR:

Trustee and Benefit Payments	\$1,973,100
------------------------------	-------------

FROM:

General Fund	\$1,973,100
--------------	-------------

SECTION 2. There is hereby appropriated to the State Board of Education for Community Colleges the following amounts to be expended according to the designated expense classes from the listed funds for the period July 1, 2010, through June 30, 2011:

FOR:

Trustee and Benefit Payments	\$25,027,800
------------------------------	--------------

FROM:

General Fund	\$23,966,800
--------------	--------------

American Reinvestment Fund	461,000
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Community College Fund	<u>600,000</u>
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TOTAL	\$25,027,800
-------	--------------

SECTION 3. An emergency existing therefor, which emergency is hereby declared to exist, Section 1 of this act shall be in full force and effect on and after passage and approval.

STATEMENT OF PURPOSE

RS19845

This is the fiscal year 2011 appropriation for the community colleges in the amount of \$25,027,800.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2010 Original Appropriation	0.00	26,407,000	2,232,900	0	28,639,900
Community Colleges					
1. CWI-Enrollment Growth	0.00	0	0	0	0
Permanent Holdback	0.00	(1,973,100)	0	0	(1,973,100)
Other Appropriation Adjustments	0.00	0	0	0	0
FY 2010 Total Appropriation	0.00	24,433,900	2,232,900	0	26,666,800
Noncognizable Funds and Transfers	0.00	0	0	0	0
FY 2010 Estimated Expenditures	0.00	24,433,900	2,232,900	0	26,666,800
Removal of One-Time Expenditures	0.00	0	(1,647,900)	0	(1,647,900)
Base Adjustments	0.00	0	15,000	0	15,000
FY 2011 Base	0.00	24,433,900	600,000	0	25,033,900
Benefit Costs	0.00	(467,100)	0	0	(467,100)
Inflationary Adjustments	0.00	0	0	0	0
Replacement Items	0.00	0	0	0	0
Change in Employee Compensation	0.00	0	0	0	0
Nondiscretionary Adjustments	0.00	0	0	0	0
FY 2011 Program Maintenance	0.00	23,966,800	600,000	0	24,566,800
Line Items					
Community Colleges					
1. Critical Needs - ARRA Reallocation	0.00	0	461,000	0	461,000
2. Occupancy Costs	0.00	0	0	0	0
3. Remainder of ARRA Title 14	0.00	0	0	0	0
FY 2011 Total	0.00	23,966,800	1,061,000	0	25,027,800
Chg from FY 2010 Orig Approp	0.00	(2,440,200)	(1,171,900)	0	(3,612,100)
% Chg from FY 2010 Orig Approp.	0.0%	(9.2%)	(52.5%)	0.0%	(12.6%)

Contact:**Name:** Paul Headlee**Office:** Budget and Policy Analysis**Phone:** (208) 334-4746

DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

SUBJECT

Division of Professional-Technical Education FY 2011 Appropriation Allocation

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.C.1.d.

BACKGROUND/ DISCUSSION

The Idaho Legislature appropriates funds for professional-technical education to the Division of Professional-Technical Education (PTE) in five designated programs: State Leadership and Technical Assistance, General programs, Postsecondary Programs, Underprepared and Unprepared Adults/Displaced Homemakers, and Related Services. PTE requests approval of the allocation of the FY2011 appropriated funds detailed in Attachment 1.

The allocation is based on the level approved by JFAC recommendation and the Provisions of the State Plan for Professional-Technical Education. The postsecondary allocation is based on the Annual Plan and Budget Request from the respective technical colleges. The State General Fund reflects an overall decrease of 7.80% from the original FY2010 appropriation. (Due to holdbacks and rescissions, PTE fell below the FY10 maintenance of effort requirement to receive federal Carl D. Perkins funding. As a result, 2-3 years from now once the audit is done and the exact amount is finalized the State will be required to pay back a negotiated amount. At that point PTE would seek a supplemental appropriation or line item to pay back to the federal government.) The PTE appropriation included maintenance level decreases for statewide cost allocation and two employer health insurance premiums.

IMPACT

Establish FY 2011 operating budget.

ATTACHMENTS

Attachment 1 - FY 2011 Appropriation Allocation	Page 3
Attachment 2 - Appropriation bill	Page 5
Attachment 3 - Statement of Purpose/Fiscal Note	Page 9

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOARD ACTION

A motion to approve the allocation of the FY 2011 legislative appropriation for the Division of Professional-Technical Education as presented on Pages 3-4.

Moved by _____ Seconded by _____ Yes _____ No _____

DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

Allocation of State Division of Professional-Technical Education

FY 2011 Appropriation

	FY10 Allocation	FY11 Allocation
Program 01 (State Leadership and Technical Assistance)		
By Standard Class:		
Personnel Costs	\$ 1,910,500	\$ 1,827,700
Operating Expenses	423,200	386,900
Capital Outlay	0	0
Totals	\$ 2,333,700	\$ 2,214,600
By Source of Revenue:		
General Funds	1,974,100	1,864,000
One-time General Funds	0	0
Federal Funds	359,600	350,600
Totals	\$ 2,333,700	\$ 2,214,600
Program 02 (General Programs)		
By Major Program Area:		
Secondary Formula	\$ 10,317,572	\$ 10,008,769
Professional-Technical School Added Cost	2,434,400	2,434,400
General Programs Leadership	280,300	213,700
Special Programs		
Federal Leadership	726,268	700,671
Advanced Learning Partnership	420,000	420,000
Adult/Retraining	697,340	759,240
Support and Improvement Services	1,116,320	874,820
Totals	\$ 15,992,200	\$ 15,411,600
By Source of Revenue		
General Funds	\$ 11,084,200	\$ 10,555,000
One-time General Funds	0	0
Federal Funds	4,840,200	4,788,800
Dedicated Funds	67,800	67,800
Totals	\$ 15,992,200	\$ 15,411,600
Program 03 (Postsecondary Programs)		
By Technical College:		
College of Southern Idaho	5,889,090	5,370,556
College of Western Idaho	7,222,680	6,583,712
Eastern Idaho Technical College	6,214,397	5,683,820
Idaho State University	10,153,879	9,259,625
Lewis-Clark State College	3,999,167	3,642,478
North Idaho College	4,302,887	3,919,609
Totals	\$ 37,782,100	\$ 34,459,800
By Source of Revenue:		
General Funds	\$ 37,324,100	\$ 33,992,800
One-time General Funds	0	0
Unrestricted Funds	458,000	467,000
Totals	\$ 37,782,100	\$ 34,459,800

57	Allocation of State Division of Professional-Technical Education		
58	FY 2011 Appropriation		
59		FY10	FY11
60		Allocation	Allocation
61			
62	Program 04 (Underprepared Adults/Displaced Homemaker Program)		
63			
64	By Major Program:		
65	Postsecondary Formula	\$ 1,992,800	\$ 1,975,700
66	Displaced Homemaker Program	409,100	370,000
67			
68	Totals	\$ 2,401,900	\$ 2,345,700
69			
70	By Source of Revenue:		
71	General Funds	\$ 239,100	\$ 200,000
72	Federal Funds	1,992,800	1,975,700
73	Dedicated Funds	170,000	170,000
74	Totals	\$ 2,401,900	\$ 2,345,700
75			
76	Program 05 (Related Services)		
77			
78	By Standard Class:		
79	Personnel Costs	\$ 362,900	\$ 346,500
80	Operating Expenses	276,700	251,000
81	Trustee Payments	2,886,500	2,879,700
82	Totals	\$ 3,526,100	\$ 3,477,200
83			
84	By Source of Revenue:		
85	General Funds	978,400	965,600
86	One-Time General Funds	0	0
87	Federal Funds	2,168,700	2,136,800
88	Dedicated Funds	140,000	140,000
89	Miscellaneous Revenue	239,000	234,800
90	Totals	\$ 3,526,100	\$ 3,477,200
91			
92	By Source of Revenue:		
93	General Funds	\$ 51,599,900	\$ 47,577,400
94	One-time General Funds	0	0
95	Federal Funds	9,361,300	9,251,900
96	Dedicated Funds	377,800	377,800
97	Unrestricted Funds	458,000	467,000
98	Miscellaneous Revenue	239,000	234,800
99	Totals	\$ 62,036,000	\$ 57,908,900

BY FINANCE COMMITTEE

TAB 10d Page 5

grams according to the designated expense classes from the listed funds for the period July 1, 2010, through June 30, 2011:

	FOR PERSONNEL COSTS	FOR OPERATING EXPENDITURES	FOR TRUSTEE AND BENEFIT PAYMENTS	FOR LUMP SUM	TOTAL
I. STATE LEADERSHIP AND TECHNICAL ASSISTANCE:					
FROM:					
General					
Fund	\$1,579,800	\$284,200			\$1,864,000
Federal Grant					
Fund	<u>247,900</u>	<u>102,700</u>			<u>350,600</u>
TOTAL	\$1,827,700	\$386,900			\$2,214,600
II. GENERAL PROGRAMS:					
FROM:					
General					
Fund	\$191,200	\$22,500	\$10,341,300		\$10,555,000
Hazardous Materials/Waste Enforcement					
Fund			67,800		67,800
Federal Grant					
Fund	<u>164,700</u>	<u>23,700</u>	<u>4,600,400</u>		<u>4,788,800</u>
TOTAL	\$355,900	\$46,200	\$15,009,500		\$15,411,600
III. POSTSECONDARY PROGRAMS:					
FROM:					
General					
Fund				\$33,992,800	\$33,992,800
Unrestricted					
Fund				<u>467,000</u>	<u>467,000</u>
TOTAL				\$34,459,800	\$34,459,800
IV. UNDERPREPARED ADULTS/DISPLACED HOME MAKERS:					
FROM:					
General					
Fund			\$200,000		\$200,000
Displaced Homemaker					
Fund			170,000		170,000
Federal Grant					
Fund			<u>1,975,700</u>		<u>1,975,700</u>
TOTAL			\$2,345,700		\$2,345,700

	FOR	FOR	FOR	FOR	
	PERSONNEL	OPERATING	TRUSTEE AND	LUMP	
	COSTS	EXPENDITURES	BENEFIT	SUM	TOTAL
			PAYMENTS		
V. RELATED SERVICES:					
FROM:					
General					
Fund	\$114,000	\$10,700	\$840,900		\$965,600
Miscellaneous Revenue					
Fund	188,300	46,500			234,800
Seminars and Publications					
Fund		140,000			140,000
Federal Grant					
Fund	<u>44,200</u>	<u>53,800</u>	<u>2,038,800</u>		<u>2,136,800</u>
TOTAL	\$346,500	\$251,000	\$2,879,700		\$3,477,200
GRAND TOTAL	\$2,530,100	\$684,100	\$20,234,900	\$34,459,800	\$57,908,900

SECTION 4. There is hereby reappropriated to the State Board of Education for Professional-Technical Education any non-General Fund unexpended and unencumbered balance of any appropriation contained in Section 1, Chapter 248, Laws of 2009, to be used for nonrecurring expenditures, for the period July 1, 2010, through June 30, 2011.

SECTION 5. It is the intent of the Legislature to have Legislative Services Office staff evaluate midway through fiscal year 2011 the extent to which Professional-Technical Education may have fallen below the maintenance of effort (MOE) requirement to receive federal Carl D. Perkins funding. If it is determined that the MOE will not be met in fiscal year 2011, the Joint Finance-Appropriations Committee will consider a request for supplemental General Fund moneys sufficient to meet the MOE so as to avoid potential repayment of funds at a later date.

SECTION 6. An emergency existing therefor, which emergency is hereby declared to exist, Sections 1 and 2 of this act shall be in full force and effect on and after passage and approval.

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STATEMENT OF PURPOSE

RS19847

This is the fiscal year 2011 appropriation for the Division of Professional-Technical Education in the amount of \$57,908,900.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2010 Original Appropriation	549.27	51,599,900	1,078,900	9,361,300	62,040,100
Reappropriation	0.00	0	218,300	126,000	344,300
Permanent Holdback	0.00	(3,250,800)	0	0	(3,250,800)
FY 2010 Total Appropriation	549.27	48,349,100	1,297,200	9,487,300	59,133,600
Noncognizable Funds and Transfers	(15.36)	0	0	(99,600)	(99,600)
FY 2010 Estimated Expenditures	533.91	48,349,100	1,297,200	9,387,700	59,034,000
Removal of One-Time Expenditures	0.00	0	(222,400)	(126,000)	(348,400)
Base Adjustments	0.00	0	9,000	0	9,000
FY 2011 Base	533.91	48,349,100	1,083,800	9,261,700	58,694,600
Benefit Costs	0.00	(733,300)	(4,200)	(9,800)	(747,300)
Statewide Cost Allocation	0.00	(38,400)	0	0	(38,400)
FY 2011 Program Maintenance	533.91	47,577,400	1,079,600	9,251,900	57,908,900
Line Items					
FY 2011 Total	533.91	47,577,400	1,079,600	9,251,900	57,908,900
Chg from FY 2010 Orig Approp	(15.36)	(4,022,500)	700	(109,400)	(4,131,200)
% Chg from FY 2010 Orig Approp.	(2.8%)	(7.8%)	0.1%	(1.2%)	(6.7%)

Contact:**Name:** Paul Headlee**Office:** Budget and Policy Analysis**Phone:** (208) 334-4746

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

Idaho Robert R. Lee Promise Scholarship – Approve Category A Award.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code §§ 33-4305(2), 33-4307(2)(a)

Idaho Administrative Procedures Act (IDAPA) 08.01.05

BACKGROUND/DISCUSSION

The intent of the Idaho Robert R. Lee Promise Scholarship Category A award is to encourage the best and brightest Idaho students to attend an Idaho college or university. Applicants are ranked based on academic and professional-technical high school records, and ACT or COMPASS scores. The provisions of Idaho Code §33-4307(2)(a), require the State Board of Education to annually set the amount of the award. The amount of the award has been \$3,000 per year (\$1,500 per semester) since the fall 2001 semester.

The FY 2011 appropriation will fund approximately 105 scholarships. Seventy five percent of the new scholarships are awarded to students pursuing academic programs and twenty five percent are awarded to professional-technical students.

IMPACT

The Joint Finance and Appropriations Committee (JFAC) approves scholarships and grants funding at an aggregate level. The Office of the State Board of Education (OSBE), as the administering agency, then allocates the funding among the scholarships and grants. The Category A Scholarship Program will have \$335,000 for the 2010-2011 academic year.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the Promise Category A scholarship in the amount of \$3,000 per year (\$1,500 per semester).

BOARD ACTION

A motion to approve the amount of the Idaho Promise Scholarship, Category A, at \$3,000 per year (\$1,500 per semester) for those applicants who are selected to receive or renew the Idaho Robert R. Lee Promise Category A scholarship for the 2010-2011 academic year.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

Idaho Promise Scholarship – Approve Category B Award.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code §§ 33-4305 and 33-4308

Idaho Administrative Procedures Act (IDAPA) 08.01.05

BACKGROUND/ DISCUSSION

The Idaho Promise Scholarship Category B award is available for all Idaho students attending college for the first time and who have a high school grade point average of at least 3.0 or an ACT score of 20 or above. This scholarship is limited to two years and to students younger than 22 years of age. Students must maintain at least a 2.5 GPA while taking an average of 12 credits to remain eligible for the scholarship. State law requires the State Board of Education to annually set the amount of the award based on the legislative appropriation and the number of eligible students.

Statute permits the State Board of Education to set the annual individual amount up to \$600 and the total award up to \$1,200. If actual awards are different than projected for the fall 2010 semester, the Board may choose to increase or decrease the amount of the award for the spring 2011 semester.

The FY 2011 legislative appropriation will provide for the Promise Category B Scholarship \$3,747,625. Based upon participation during FY 2010, Board staff has estimated the number of eligible students in academic year 2010-2011 to be approximately 8,700 students. With the award set at \$400 per student per year, the total amount awarded to all eligible students would be \$3,480,000.

Actual student numbers for the fall 2010 semester will be reviewed and if an adjustment is necessary, staff will recommend an adjustment in the award amount for the spring 2011 semester (October, 2010 Board Meeting)

IMPACT

The Idaho Promise Scholarship Category B provides a merit-based scholarship to Idaho high school students in an attempt to motivate students to excel in high school and attend an Idaho college. Estimated number of students receiving scholarships is 8,700.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the Promise Category B scholarship in the amount of \$200 per semester (\$400 annually).

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOARD ACTION

A motion to approve the amount of the Idaho Promise Scholarship, Category B, at \$200 per semester per student (\$400 annually) for those current recipients who maintain eligibility and for qualified first-year entering students under the age of 22 in academic year 2010-2011, and to delegate to the Executive Director the authority to approve adjustments to the amount as necessary resulting from any holdbacks that may be ordered by the Governor during FY 2011.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

FY 2011 Idaho Opportunity Scholarship

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code § 33-5605

IDAPA 08.01.13.010.01 and 08.01.13.300.02.a

BACKGROUND/ DISCUSSION

The intent of the Idaho Opportunity Scholarship is to provide financial resources to Idaho students who are economically disadvantaged, to close the gap between the estimated cost of attending an eligible Idaho institution of higher education and the expected student and family contribution toward such educational costs, and to encourage the educational development of such students in eligible Idaho postsecondary educational institutions. Provisions of the rules governing this scholarship program require that the State Board of Education annually establish the maximum amount of the award, the cost of attendance for purposes of this award determination, and the amount of the expected family contribution. The maximum award amount for FY 2010 was \$3,000 per year (\$1,500 per semester); the expected family contribution for FY 2010 was \$5,000; and the standard cost of attendance for award determination purposes was \$16,500 for the FY 2010 award year.

Twenty million dollars was set aside during the 2007 and 2008 legislative session to fund an endowment for this scholarship program. For FY2010, the Joint Finance - Appropriations Committee (JFAC) approved \$1 million for the FY 2010 academic year to be used for scholarships. This was a reduction of 48% or \$925,000 from the appropriation for the first two years of this program. The interest earnings from the Opportunity Scholarship Account were used during the FY 2010 year to help fund the Opportunity Scholarship program. Unfortunately, due to the continuing budget crisis, the Legislature was unable to appropriate funding for the Opportunity Scholarship for FY 2011. The only funding available to fund Opportunity Scholarships for the FY 2011 year will be interest earnings on the endowment, which are estimated to be approximately \$1,000,000. Authorized administrative costs up to a maximum of 5% (not to exceed \$75,000) are permitted and must come from this same funding source. Staff anticipates having approximately 335 renewal scholarships for FY 2011.

The maximum award amount set for the FY 2010 academic year was \$3,000. This amount is recommended for the FY 2011 academic year as well. The majority of full-year student recipients were eligible for the maximum \$3,000 award. The scholarship methodology provides "last dollars." Using this model, not all students will receive full awards.

The Board is responsible for setting the cost of attendance (COA) which is used in the formula to determine the amount of a student's award and the maximum amount of the scholarship award.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

For purposes of the formula, the staff recommendation is to use a maximum of \$16,500 as the COA to determine scholarship awards. This amount was based on the average COA from our four-year institutions during the 2008 academic year. Due to funding limitations, staff is not requesting an adjustment for the 2011 award cycle.

Eligible students are expected to share in the cost of their education and will be required to contribute an amount determined by the Board. Board staff recommends that the amount of the student contribution remain at \$5,000 for FY 2011. Additionally, it is recommended that the Board accept student-initiated scholarships and gifts from non-federal and non-institutional sources as part of the student contribution. It is also recommended that the Board count the Federal Academic Competitiveness and SMART grants towards the expected student contribution.

IMPACT

No new general funds were provided for Opportunity scholarships for FY 2011. The only funding available for Opportunity Scholarships will be from interest earnings to-date. Staff estimates approximately \$1 million in interest will be available to fund scholarships for FY2011. The majority of this will be used to fund renewal awards. It is estimated that we will be able to award scholarships for 335 returning students.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the Opportunity Scholarship in the amount of \$3,000 per year (\$1,500 per semester).

Staff recommends the annual Cost of Attendance for the Opportunity scholarship award formula to be set at \$16,500.

Staff recommends that the student contribution be set at \$5,000, and to accept the Federal Academic Competitiveness and Smart grants along with other student-initiated scholarships and non-institutional and non-federal aid as part of the student contribution.

Staff further recommends that in cases where further clarification is needed to determine whether aid counts towards the student responsibility the Board appoints the Student Affairs Program Manager or the designee of the Executive Director to make these determinations on behalf of the Board.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOARD ACTION

A motion to approve the maximum amount of the Idaho Opportunity Scholarship, to be \$3,000 per year (\$1,500/semester) for those applicants who are selected to receive or renew the Idaho Opportunity Scholarship for the Fiscal Year July 1, 2010-June 30, 2011.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

A motion to set the Cost of Attendance to be used in the formula that determines the award for the Opportunity Scholarship at a maximum of \$16,500 for the FY 2011 academic year.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

A motion to approve the student contribution for the FY 2011 academic year at \$5,000, and to accept the Federal Academic Competitiveness and Smart grants along with other student-initiated scholarships and non-institutional and non-federal aid as part of the student contribution. In cases where further clarification is needed to determine whether aid counts towards the student responsibility, the Board delegates to the Executive Director or his designee authority to make these determinations on its behalf.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

Second reading to amend Board policy V.K. Construction Projects

REFERENCE

August 2008	First Reading of Policy Section V.K., motion failed 5-3, not approved by Board
February 2010	First Reading approved by Board

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.a and V.K.1-3.

BACKGROUND / DISCUSSION

Current policy requires that revisions that substantially alter the use of the project causing changes in project costs between \$250,000 and \$500,000 must first be submitted to the Executive Director for review and approval. Changes in project costs of more than \$500,000 must first be submitted to the Board for its review and approval.

IMPACT

The attached revised policies will increase the threshold for institutional CEO approval from \$250,000 to \$350,000, increase the Executive Director's maximum approval authority from \$500,000 to \$750,000, and increase the threshold for Board approval from \$500,000 to \$750,000.

ATTACHMENTS

Attachment 1 - Revised Governing Policy Section V.K.1-3

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The revised policies will assist the Board in maintaining its level of oversight without the requirement of direct approval by increasing the approval authority of the institutions and Executive Director.

There have been no changes between the first and second reading.

BOARD ACTION

A motion to approve the second reading of the amendment to Board Policy V.K.. Construction Projects.

Moved _____ Seconded _____ Carried Yes _____ No _____

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1. Major Project Approvals - Proposed Plans

Without regard to the source of funding, before any institution, school or agency under the governance of the Board begin formal planning to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to exceed five hundred thousand dollars (\$500,000), must first be submitted to the Board for its review and approval. All projects identified on the institutions', schools or agencies' six-year capital plan must receive Board approval.

2. Project Approvals

Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to be between three hundred fifty thousand dollars (\$350,000) and seven hundred fifty thousand dollars (\$750,000), must first be submitted to the executive director for review and approval. Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities or construction of new facilities, when the cost of the project is estimated to exceed seven hundred fifty thousand dollars (\$750,000), must first be submitted to the Board for its review and approval. Project cost must be detailed by major category (construction cost, architecture fees, contingency funds, and other). When a project is under the primary supervision of the Board of Regents or the Board and its institutions, school or agencies, a separate budget line for architects, engineers, or construction managers and engineering services must be identified for the project cost. Budgets for maintenance, repair, and upkeep of existing facilities must be submitted for Board review and approval as a part of the annual operating budget of the institution, school or agency.

3. Fiscal Revisions to Previously Approved Projects

If the project budget increases above the approved amount, then the institution, school, or agency may be required to seek further authorization, as follows:

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: K. Construction Projects

ATTACHMENT 1

March 2010

Project Originally Authorized By	Original Project Cost	Cumulative Value of Change(s)	Aggregate Revised Project Cost	Change Authorized By
Local Agency	< \$350,000	Any	< \$350,000	Local Agency
Local Agency	< \$350,000	Any	\$350,000-\$750,000	Executive Director
Local Agency	<\$350,000	Any	> \$750,000	SBOE
Executive Director	\$350,000-\$750,000	<= \$250,000	<= \$500,000	Local Agency
Executive Director	\$350,000-\$750,000	Any	> \$500,000 \$750,000	SBOE
SBOE	> \$750,000	<\$350,000	Any	Local Agency
SBOE	> \$750,000	\$350,000-\$750,000	Any	Executive Director
SBOE	> \$750,000	>\$750,000	Any	SBOE

All modifications approved by the Executive Director shall be reported quarterly to the Board.

4. Project Acceptance

Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the state of Idaho. Projects under the supervision of an institution, school or agency are accepted by the institution, school or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

5. Statute and Code Compliance

- a. All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance with applicable state and local building and life-safety codes and applicable local land-use regulations as provided in Chapter 41, Title 39, and Section 67-6528, Idaho Code.
- b. In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

Second Reading – Occupancy Costs funding policy

REFERENCE

April 2008

February 2010

JFAC Occupancy Costs Policy – Information Item

1st Reading approved by Board

APPLICABLE STATUTES, RULE OR POLICY

Joint Finance Appropriations Committee's "Occupancy Costs Policy for Higher Education Facilities"

BACKGROUND / DISCUSSION

Prior to adoption of this policy, occupancy costs were requested based on a formula in a spreadsheet maintained by the Board Office. On the funding side, JFAC had historically funded occupancy costs on an ad hoc basis, often subject to the whims of the political process. In recognition of the arbitrary nature of the funding process, the FY 2008 appropriation for the College & Universities included the following intent language: "It is legislative intent that no further occupancy costs for postsecondary institutions shall be funded by the Legislature until a written policy has been established which sets forth the eligibility criteria and formula by which occupancy costs are to be calculated."

Pursuant to the intent language, on December 20, 2007, a JFAC subcommittee convened a work session with the institutional financial vice presidents, and reached agreement on a written policy related to requests for occupancy funding for general education spaces at higher education institutions. The Policy was ratified by the full committee in the 2008 Session.

IMPACT

The Policy defines terms and documents the formula used to calculate occupancy costs.

Under the Policy, the Office of the State Board of Education (OSBE) is required to provide JFAC and the Governor written notification of Board major project approval within 10 days of Board action in order for the project to be eligible for occupancy costs in the future.

The Policy provides that if occupancy costs are requested but not funded due to budgetary reasons, institutions may request occupancy costs again in the following year. If, however, occupancy costs are denied for non-budgetary reasons, no further requests for occupancy costs related to the space in question will be considered.

ATTACHMENTS

Attachment 1 - Amendment to Board Policy V.B.

Page 3

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

STAFF COMMENTS AND RECOMMENDATIONS

The Board was first notified of this policy in an information item in the April 18, 2008 agenda. This policy clarifies for institutions and decisions-makers which space is eligible for occupancy funding and how much may be requested for each eligible space.

There have been no changes between the first and second reading.

BOARD ACTION

A motion to approve the second reading of the proposed amendment to Board Policy V.B. as submitted.

Moved by_____ Seconded by_____ Carried Yes____ No____

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: B. Budget Policies

March 2010

B. Budget Policies

1. Budget Requests

For purposes of Items 1. and 10., the community colleges (CSI, CWI and NIC) are included.

a. Submission of Budget Requests

The Board is responsible for submission of budget request for the institutions, school and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

b. Direction by the Office of the State Board of Education

The preparation of all annual budget requests is to be directed by the Office of the State Board of Education which designates forms to be used in the process. The procedures for the preparation and submission of budget requests apply to operational and capital improvements budgets.

c. Preparation and Submission of Annual Budget Requests

Annual budget requests to be submitted to the Board by the institutions, school and agencies under Board governance are due in the Office of the State Board of Education on the date established by the Executive Director.

d. Presentation to the Board

Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.

2. Budget Requests and Expenditure Authority

- a. Budget requests must include projected miscellaneous receipts based on the enrollment of the fiscal year just completed (e.g., the FY 2003 budget request, prepared in the summer of 2001, projected miscellaneous receipts revenue based on academic year 2001 enrollments which ended with the Spring 2001 semester).

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: B. Budget Policies

March 2010

- b. Approval by the Executive Director, or his or her designee, as authorized, for all increases and decreases of spending authority caused by changes in miscellaneous receipts is required.
- c. Miscellaneous receipts collected by an institution will not be allocated to another institution. The lump sum appropriation will not be affected by changes in receipts.

3. Operating Budgets (Appropriated)

a. Availability of Appropriated Funds

- i. Funds appropriated by the legislature from the State General Account for the operation of the institutions, school and agencies (exclusive of funds for construction appropriated to the Permanent Building Fund) become available at the beginning of the fiscal year following the session of the legislature during which the funds are appropriated, except when appropriation legislation contains an emergency clause.
- ii. These funds are generally allotted periodically or are disbursed on submission of expenditure vouchers to the Office of the State Controller.

b. Approval of Operating Budgets

- i. The appropriated funds operating budgets for the institutions, school and agencies under Board supervision are based on a fiscal year, beginning July 1 and ending on June 30 of the following year.
- ii. During the spring of each year, the chief executive officer of each institution, school or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the Executive Director for review and formal approval before the beginning of the fiscal year.

c. Budget Transfers and Revisions

- i. Chief Executive Officer Approval
- ii. The chief executive officer of each institution, agency, school, office, or department is responsible for approving all budget transfers.
- iii. Allotment and Allotment Transfers
- iv. Requests for allotments or changes in allotments are submitted by the institution, school or agency to the Division of Financial Management and copies provided concurrently to the Office of the State Board of Education.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES**SECTION: V. FINANCIAL AFFAIRS****Subsection: B. Budget Policies****March 2010**

(Refer to allotment form in the Fiscal Reference Manual of the Division of Financial Management.) The Office of the State Board of Education will coordinate the request for allotments and changes to allotments for the college and universities.

4. Operating Budgets (Non-appropriated -- Auxiliary Enterprises)**a. Auxiliary Enterprises Defined**

An auxiliary enterprise directly or indirectly provides a service to students, faculty, or staff and charges a fee related to but not necessarily equal to the cost of services. The distinguishing characteristic of most auxiliary enterprises is that they are managed essentially as self-supporting activities, whose services are provided primarily to individuals in the institutional community rather than to departments of the institution, although a portion of student fees or other support is sometimes allocated to them. Auxiliary enterprises should contribute and relate directly to the mission, goals, and objectives of the college or university. Intercollegiate athletics and student health services should be included in the category of auxiliary enterprises if the activities are essentially self-supporting.

All operating costs, including personnel, utilities, maintenance, etc., for auxiliary enterprises are to be paid out of income from fees, charges, and sales of goods or services. No state appropriated funds may be allocated to cover any portion of the operating costs. However, rental charges for uses of the facilities or services provided by auxiliary enterprises may be assessed to departments or programs supported by state-appropriated funds.

b. Operating Budgets

- i. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.
- ii. All proposed expenditures from accumulated operating reserves in excess of \$50,000 must be reported to the Board at the next scheduled meeting.

5. Operating Budgets (Non-appropriated -- Local Service Operations)**a. Local Service Operations Defined**

Local service operations provide a specific type of service to various institutional entities and are supported by charges for such services to the user. Such a service might be purchased from commercial sources, but for reasons of convenience, cost, or control, is provided more effectively through a unit of the institution. Examples are mailing services, duplicating services, office machine maintenance, motor pools, and central stores.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES**SECTION: V. FINANCIAL AFFAIRS****Subsection: B. Budget Policies****March 2010**

- b. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.
- c. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

6. Operating Budgets (Non-appropriated -- Other)

- a. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.
- b. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

7. Agency Funds

- a. Agency funds are assets received and held by an institution, school or agency, as custodian or fiscal agent for other individuals or organizations, but over which the institution, school or agency exercises no fiscal control.
- b. Agency funds may be expended for any legal purpose prescribed by the individual or organization depositing the funds with the institution, school or agency following established institutional disbursement procedures.

8. Major Capital Improvement Project -- Budget Requests

For purposes of Item 8., the community colleges (CSI, CWI and NIC) are included, except as noted in V.B.8.b. (2).

a. Definition

A major capital improvement is defined as the acquisition of an existing building, construction of a new building or an addition to an existing building, or a major renovation of an existing building. A major renovation provides for a substantial change to a building. The change may include a remodeled wing or floor of a building, or the remodeling of the majority of the building's net assignable square feet. An extensive upgrade of one (1) or more of the major building systems is generally considered to be a major renovation.

b. Preparation and Submission of Major Capital Improvement Requests**i. Permanent Building Fund Requests**

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: B. Budget Policies

March 2010

Requests for approval of major capital improvement projects to be funded from the Permanent Building Fund are to be submitted to the Office of the State Board of Education on a date and in a format established by the Executive Director. Only technical revisions may be made to the request for a given fiscal year after the Board has made its recommendation for that fiscal year. Technical revisions must be made prior to November 1.

ii. Other Requests

Requests for approval of major capital improvement projects from other fund sources are to be submitted in a format established by the Executive Director. Substantive and fiscal revisions to a requested project are resubmitted to the Board for approval. This subsection shall not apply to the community colleges.

c. Submission of Approved Major Capital Budget Requests

The Board is responsible for the submission of major capital budget requests for the institutions, school and agencies under this subsection to the Division of Public Works. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

9. Approval by the Board

Requests for approval of major capital improvement projects must be submitted for Board action. Major capital improvement projects, which are approved by the Board and for which funds from the Permanent Building Fund are requested, are placed in priority order prior to the submission of major capital budget requests to the Division of Public Works.

10. Occupancy Costs.

a. Definitions.

- i. "Auxiliary Enterprise" is an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to the cost of the goods or services.
- ii. "Eligible Space" means all space other than auxiliary enterprise space. Occupancy costs for "common use" space (i.e. space which shares eligible and auxiliary enterprise space) will be prorated based on its use.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: B. Budget Policies

March 2010

- iii. "Gross Square Feet" (GSF) means the sum of all areas on all floors of a building included within the outside faces of its exterior walls.
 - iv. "Occupancy costs" means those costs associated with occupying eligible space including custodial, utility, maintenance and other costs as outlined in the occupancy costs formula.
- b. Notification of New Eligible Space.
- i. No institution shall acquire, build, take possession of, expand, remodel, or convert any eligible space for which occupancy costs will be requested unless prior written notification has been received by the Governor and the Joint Finance-Appropriations Committee. Written notification shall be submitted by the Office of the State Board of Education or a community college within ten business days of final project approval by the State Board of Education or its executive director, or a community college board of trustees. Written notification shall include:
 - a. description of the eligible space, its intended use, and how it relates to the mission of the institution;
 - b. estimated cost of the building or facility, and source(s) of funds;
 - c. estimated occupancy costs; and
 - d. estimated date of completion.
 - ii. A facility approved by the Legislature and the Governor in the Permanent Building Fund budget satisfies the notice requirement for purposes of requesting occupancy costs.
- c. Sources of Funds. Institutions may request occupancy costs regardless of the source(s) of funds used to acquire or construct eligible space.
- d. Required Information. Requests for occupancy costs shall include the following information: (i) projected date of occupancy of the eligible space; (ii) gross square feet of eligible space; and (iii) number of months of the fiscal year the eligible space will be occupied (i.e. identify occupancy of eligible space for a full or partial fiscal year).
- e. Occupancy Costs Formula.
- i. Custodial: For the first 13,000 GSF and in 13,000 GSF increments thereafter, one-half (.50) custodial FTE. In addition, 10¢ per GSF may be requested for custodial supplies.
 - ii. Utility Costs: \$1.75 per GSF.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: B. Budget Policies

March 2010

- iii. Building Maintenance: 1.5% of the construction costs, excluding pre-construction costs (e.g. architectural/engineering fees, site work, etc.) and moveable equipment.
- iv. Other Costs:
 - (1) 77¢ per GSF for information technology maintenance, security, general safety, and research and scientific safety;
 - (2) .0005 current replacement value (CRV) for insurance; and
 - (3) .0003 current replacement value (CRV) for landscape maintenance.
- v. The formula rates may be periodically reviewed against inflation.
- vi. Reversions.
 - (1) If eligible space which received occupancy costs is later:
 - a) razed and replaced with non-eligible space; or
 - b) converted to non-eligible space,then the institution shall revert back to the state the occupancy cost funding at the base level originally funded.
 - (2) If eligible space is razed and replaced with new eligible space, then the institution may retain the base occupancy costs, net the funded GSF against any additional GSF, and request funding for the difference.
- f. Unfunded Occupancy Costs. If occupancy costs for eligible space have been requested but not funded due to budgetary reasons, institutions may request occupancy costs again in the following year. If, however, occupancy costs are denied for non-budgetary reasons, no further requests for occupancy costs related to the space in question will be considered.

Idaho State Board of Education

GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: B. Budget Policies

March 2010

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

Student Health Insurance Program (SHIP) Consortium; approval of Best-Value vendor contract

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.P.16

REFERENCE

April 2009

Information item

BACKGROUND/DISCUSSION

In the fall of 2008, Boise State University, Idaho State University, and Lewis-Clark State College joined together to form a Student Health Insurance Plan (SHIP) Consortium. In addition to piloting the concept of a consortium, the institutions, in conjunction with the Idaho Division of Purchasing, partnered with Arizona State University to implement a procurement methodology focused on obtaining a “Best Value” vendor.

The project was divided into three phases:

1. Request for Information (RFI): A RFI was developed to identify potential barriers to a successful Consortium and to educate the vendor community about the procurement. As part of the RFI, the Consortium held both stakeholder and vendor informational meetings.
2. Request for Proposal (RFP): The Consortium documented baseline performance metrics and a measurement plan. A final RFP was issued July 30, 2009.
3. Proposal Phase: Pre-award was made on November 18th at which time the vendor began to work with the University's to address detailed consortium issues. All issues were resolved and the vendor accepted by the University's on January 21, 2010 with the final contract subject to approval by the Board in April 2010.

The contract is for the period three (3) years and seven (7) optional renewals of one (1) year each, subject to mutual agreement between the parties. The contract award will be released by the Division of Purchasing upon approval by the Board.

IMPACT

The contract will be awarded to Renaissance Agencies, a national student health insurance provider. They have obtained underwriting from Nationwide insurance and will use the services of Ameribend, a third party claims processor based in Boise. The combination of resources from the three companies has created an effective solution for the universities. Renaissance acts as the point of contact and is responsible for the performance under the contract.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

In addition to managing costs while maximizing coverage, the Consortium used this project as an opportunity to pilot the Best Value procurement process. The Best Value process embeds post-award reporting to continually measure performance throughout the life of the contract. Both the contractor and the institutions are reviewed to evaluate efficiency in delivery of services. The benefits of using the Best Value process include increased accountability of vendors and institutions, streamlined internal processes focused on value and efficiency, reduced disputes and litigation, and more transparent processes.

The Best-Value results to the customer based on the vendor selected are:

- student premium decreases by 2% (-\$26)
- spouse and dependent premium decreases by 19% (-\$519)
- benefits/coverage improve overall

In addition to the reductions for 2010-2011, the vendor is holding the initial rates flat for two years so students will not see any additional inflation in the 2011-2012 academic year.

The dollar value of the contract to the vendor is estimated at \$11,377,129 per year for all three institutions.

ATTACHMENTS

Attachment 1 – Purchase Order	Page 5
Attachment 2 – BSU Plan	Page 7
Attachment 3 – ISU Plan	Page 23
Attachment 4 – LCSC Plan	Page 41

STAFF COMMENTS AND RECOMMENDATIONS

The institutions and the Division of Purchasing were very pleased with the Best-Value process and the outcome of this project. In the end, the process truly did identify the Best-Value vendor. Under the existing program, student premiums increased an average of \$124 per year for the past four years, and an average of \$126 for spouse/dependent premiums over that same time. The contract award will stabilize student and spouse/dependent premium rates for the first time in four years and provide better coverage.

Board Policy V.R.3.b.vii. provides that the Board may delegate the approval of student health insurance premiums to the chief executive officer without a reporting requirement. At the June 18, 2009 meeting the Board voted to permanently delegate to the executive officer the approval of these rates.

A copy of the full contract is on file at the Office of the State Board of Education and is available for review upon request. Staff finds the contract meets Board Policy on student health insurance and recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

BOARD ACTION

A motion to approve the contract purchase order with Renaissance Agencies, Inc. to provide a student health insurance plan for Boise State University, Idaho State University and Lewis-Clark State College for the period of three (3) years and seven (7) optional renewals of one (1) year each, subject to mutual agreement between the parties, and to authorize the Executive Director to execute the contract on behalf of the Board and the named institutions.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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undefined Purchase Order

Bill To:
State of Idaho

Send invoices to the address
listed
below or as indicated in the
comments or instructions field
Boise, ID 83720-0075



State of Idaho

THIS NUMBER MUST APPEAR
ON ALL DOCUMENTS

Contract Purchase Order

Contract Purchase Order
CPO02267

This Award is Awaiting Auto Release:
Scheduled AWARD Release Date to Awarded Vendor: Wed Apr 21, 2010
Scheduled Award Notifications Release Date: Wed Apr 21, 2010

DELIVER TO: State of Idaho Various Agencies
Various State Agencies
located throughout Idaho

Various, ID 83701
Mark.Little@adm.idaho.gov

Date: Wed Apr 21, 2010
F.O.B: Destination
Terms: net 30

VENDOR: RENAISSANCE AGENCIES, INC.
1437 Seventh Street
Suite 400
Santa Monica, CA 90401
Attn: Vice President
Vendor Nbr:
Emailed To: heidi@renstudent.com
Phone: 310-394-0440
Fax: 310-394-0142
Account Number: P00000082284

Start of Service Mon Apr 05, 2010
Date
Thu Apr 04, 2013
End of Service
Date:

Solicitation#: RFP02201
DOC#: PREQ16539

File(s) Attached:

- ☐ BSU Work Plan.pdf
- ☐ ISU Work Plan.pdf
- ☐ LCSC Work Plan.pdf
- ☐ BSU-10b--draft5.pdf
- ☐ ISU_10b--draft2.pdf
- ☐ LCSC-10b--draft3.pdf
- ☐ Pre-Award Document.pdf

Buyer: DIANE ROBINSON 208-332-1631

Assign/Manage pCard

Item No	Description	Quantity UOM	Unit Price	EXTENSION
001	Student Health Insurance Plan - To include Boise State University, Idaho State University and Lewis Clark State College. (953-48) (nt)	1 LOT	1.00	1.00
	Sub-Total:			1.00
	Total:			1.00
CONTRACT PURCHASE ORDER (CPO) AWARD				
This Contract is for a RFP02201 Student Health Insurance Plan for the Boise State University, Idaho State University and Lewis Clark State College and for the benefit of the State of Idaho and eligible				

political subdivisions or public agencies as defined by Idaho Code, Section 67-2327. Additionally this contract includes pre-award document dated January 21, 2010, Work Plans for ISU, BSU and LCSC and individual Student Health Insurance Plans for BSU, LCSC and ISU. This Contract shall be for the period of Three (3) Years (and 7 optional renewals of One (1) years each, subject to mutual agreement between the parties).

Vendor Contact:..... Ken Nelson
 Phone:..... 310-394-0440
 Toll Free:..... 800-537-1777
 Facsimile:..... 310-394-0142
 E-mail:..... ken@renstudent.com

INVOICES MUST BE SENT TO Boise State University
 Agency Contact:..... Terri Spinazza
 Phone:..... 208-426-2168
 Facsimile:..... 208-426-1152
 E-Mail Address:..... tspinazz@boisestate.edu

INVOICES MUST BE SENT TO Idaho State University
 Agency Contact:..... David Buck
 Phone:..... 208-282-3111
 Facsimile:..... 208-282-4722
 E-Mail Address:..... buckdavi@isu.edu

INVOICES MUST BE SENT TO Lewis Clark State College
 Agency Contact:..... Sheila Kom
 Phone:..... 208-792-2288
 Facsimile:..... 208-792-2077
 E-Mail Address:..... sheilak@lcsc.edu

General
 Comments:

THIS CONTRACT, (including any files attached), CONSTITUTES THE STATE OF IDAHO'S ACCEPTANCE OF YOUR SIGNED BID, QUOTATION, OR OFFER (including any electronic bid submission), WHICH SUBMISSION IS INCORPORATED HEREIN BY REFERENCE AS THOUGH SET FORTH IN FULL.

The dollar amount listed in the contract pricing is an estimate and cannot be guaranteed. The actual dollar amount of the contract may be more or less depending on the actual orders, requirements, or tasks given to the Contractor by the State or may be dependent upon the specific terms of the Contract. This contract will be assigned to the State Board of Education when BSU, ISU, LCSC and EITC have the required policies and procedures in place and approved by the Board of Education pursuant to Section 67-5728(2).

In the event of any inconsistency, unless otherwise provided herein, such inconsistency shall be resolved by giving precedence in the following order:

1. This Contract Purchase Order document.
2. The state of Idaho's original solicitation document.
3. The Contractor's signed bid, quotation, or offer.

Approved: _____
 State Board of Education

Date: _____

Instructions:

Freight / Handling Included in Price

By: DIANE ROBINSON



2010-2011

Student Health Insurance Plan

SHIP

underwritten by
Nationwide Life Insurance Company

policy number
302-109-1108

TABLE OF CONTENTS

Eligibility	1
Waiver REquirements	2
Enrollment Procedure.....	3
Costs of Coverage.....	4
Premium Refunds.....	5
Terms of Coverage.....	5
Extension of Benefits.....	6
Preferred Provider Organization.....	7
Schedule of Benefits	8
Breast Cancer Screening	13
Breast Reconstruction Following Mastectomy	13
General Exclusions	14
Pre-Existing Condition Limitation	16
Coordination of Benefits	17
Definitions.....	17
Claim Procedure.....	20
Travel Assistance Program	21
Certification of Qualifying Health Plan Coverage	25
Authorized Representation.....	25
Summary of Privacy Policy.....	25
HIPAA Notice of Privacy Practices.....	26
Important Information	29

INSURANCE ID CARD

Your permanent ID card was sent to you along with this brochure. Permanent ID cards are automatically mailed to you only once each school year (not each semester). If you need a replacement card, please contact Renaissance Insurance Agency, Inc. at 1-800-537-1777. **Always carry your insurance ID card with you.**

UNIVERSITY HEALTH SERVICES (UHS)

Students are encouraged to use University Health Services first whenever possible, where medical, wellness and counseling services are available, as well as limited pharmacy services. To schedule an appointment, please call 1-208-426-1459. UHS is located at 1529 Belmont Street, Boise, ID 83706.

ELIGIBILITY

Students

The following students are automatically covered under the Student Health Insurance Plan (SHIP), unless proof of other comparable coverage is provided and a waiver is submitted by the Waiver Deadline Date each semester:

- All full-fee paying domestic undergraduate students enrolled in at least 12 credits
- All full-fee paying domestic graduate students enrolled in at least 9 credits
- All graduate assistants and graduate fellows enrolled in at least 9 credits (includes self-support courses in determining credits)
- All intercollegiate athletic graduate assistants
- All international students

In addition, all intercollegiate student-athletes are automatically covered under this plan (no waiver allowed).

Part-time students (unless international students or intercollegiate athletes) are not eligible for SHIP. Self-support courses do not count towards full-time enrollment except as identified above.

Covered Students must actively attend classes for at least the first 31 days of the period for which coverage is purchased. Except in the case of medical withdrawal due to Sickness or Injury (as verified and approved by the school), any student withdrawing from school during the first 31 days of the period for which coverage is purchased will not be covered under this Policy and a full refund of premium will be made (provided no claims have been filed). Students withdrawing after such 31-day period will remain covered under the Policy for the term purchased and no refund will be allowed.

Nationwide Life Insurance Company (hereinafter "the Company") maintains its right to investigate student (and Dependent) status and attendance records to verify that the policy eligibility requirements have been met. If and whenever the Company discovers that the policy eligibility requirements have not been met, its only obligation is refund of premium less any claims paid.

Graduating Students

Students who are graduating are eligible to enroll in SHIP Continuation for three (3) additional months after the termination date of their final term of coverage in SHIP. Students must enroll for SHIP Continuation coverage within 31 days of the termination date of that term. The three (3) month SHIP Continuation coverage may only be purchased once per lifetime.

Dependents

Covered Students may also insure their eligible Dependents who are the Covered Student's: 1) legally married spouse who is not legally separated from and resides with the Covered Student; or 2) unmarried child under the age of 25 who receives more than one-half of his or her financial support from the Covered Student.

Eligible Dependents must be enrolled by the Enrollment Deadline Date or within 60 days of birth, adoption, marriage, or arrival in the U.S.

If a child is born to a Covered Student, that child will be covered under the plan for the first 60 days after: 1) the birth date of the newly born child; 2) the effective date of adoption of the child by the student; or 3) the date of placement of the child for adoption with the student. Coverage for such child will be for Sickness and Injury, including medically diagnosed congenital defects, birth abnormalities, prematurity and nursery care. Should the student's coverage terminate before the end of the 60-day period, newborn coverage will not extend beyond the student's termination date.

(continued on page 2)

ELIGIBILITY (continued from page 1)

The Covered Student will have the right to continue coverage for the child beyond 60 days. To continue the coverage the Covered Student must: 1) notify Renaissance Insurance Agency, Inc. by the 60th day; and 2) pay the monthly pro-rated cost of coverage for the remainder of the current term, if required. Once Renaissance has been notified, the Covered Student will have 31 days (in addition to the initial 60 days) to submit payment of any additional premium. If the Covered Student does not use this right as stated here, all coverage as to that child will terminate at the end of the 60-day period.

The term "children" includes a Covered Student's biological children, step-children and adopted children from the date of placement who depend upon the Covered Student for full support.

Any **Dependent** on active duty in any military, naval, or air force of any country is not eligible for coverage under the policy.

WAIVER REQUIREMENTS

Students who wish to waive coverage under the plan must submit satisfactory proof of comparable and verifiable continuing health insurance coverage by the Waiver Deadline Date **each semester**. In order to qualify for a waiver, the student must be covered under a health insurance plan which includes, at a minimum, the following:

- Maximum Benefit of at least \$100,000 per accident or illness;
- Deductible not to exceed \$5,000 (a maximum \$1,000 Deductible is strongly recommended);
- Coinsurance amount not to exceed 25% of in-network PPO charges (insurance pays at least 75%) and 50% of out-of-network PPO charges;
- For international students, the plan must have at least \$10,000 of repatriation coverage and \$15,000 of medical evacuation coverage; and
- Plans **must** be operated and based in the United States and must be in full compliance with applicable federal laws. International students may not waive with insurance from their home country.

Students who are covered under a plan that does not meet all of these requirements will not be allowed to waive coverage under this plan.

Students who are eligible to waive coverage under this plan must sign onto BroncoWeb to submit a waiver request. The waiver must be completed by the Waiver Deadline Date each semester. Please see the Waiver FAQ for more details, which is available at <http://healthservices.boisestate.edu> or www.renstudent.com/boisestate.

Deadline to Waive Coverage in SHIP

Fall: September 3, 2010

Spring/Summer: January 31, 2011

Please note **student-athletes** are not eligible to waive coverage in SHIP.

ENROLLMENT PROCEDURE**Students (Basic SHIP)**

All eligible students who have not waived coverage by the Waiver Deadline Date each semester will be automatically enrolled in the plan. The cost for SHIP is included in the tuition fee bill each semester.

If an eligible student has waived out of the plan and later experiences an Involuntary Loss of Coverage, he or she may enroll in SHIP for the remainder of the current term, provided it is done *within 31 days of termination of prior coverage*. These students must submit proof of loss of coverage, along with an enrollment form and the monthly pro-rated cost of coverage for the remainder of the semester. For information on how to enroll in SHIP after an Involuntary Loss of Coverage, please contact Renaissance Insurance Agency, Inc. at 1-800-537-1777.

Intercollegiate Athletes (Basic SHIP)

All intercollegiate student-athletes are automatically enrolled in SHIP (no waiver allowed). The benefit for Injury as a result of Intercollegiate Sports is limited to a Policy Year Maximum Benefit of \$90,000 per Injury.

For an additional cost of \$285 per semester (on top of the SHIP premium), intercollegiate student-athletes may elect to enroll in the Supplemental Athletic Coverage. With this supplemental coverage, after the SHIP Deductible has been met, the Company will pay 100% of the Preferred Allowance for in-network providers and 80% of Reasonable and Customary Expenses for non-network providers for Covered Charges (for Injury due to participation in intercollegiate sports only), up to the Policy Year Maximum of \$90,000 per Injury. This coverage may only be purchased, and becomes effective and will terminate, simultaneously and in conjunction with SHIP. For information on how to enroll in the Supplemental Athletic Coverage, please contact the Boise State University Athletic Insurance Coordinator at 1-208-426-5444.

Dependents (Basic SHIP)

Students may enroll eligible **Dependents** in the plan online with a MasterCard or Visa at www.renstudent.com/boisestate by the **Dependent** Enrollment Deadline Date.

Students who wish to pay by check or money order may download a **Dependent** enrollment form from www.renstudent.com/boisestate and submit the completed form, along with the proper payment, to Renaissance Insurance Agency, Inc. (must be postmarked by the **Dependent** Enrollment Deadline Date).

If a student wishes to enroll a new Dependent, and it is past the Deadline Date, the student must contact Renaissance Insurance Agency, Inc. at 1-800-537-1777. Newly acquired **Dependents** (spouse and/or children) are not subject to the **Dependent** Enrollment Deadline Dates. However, enrollment and payment (if required) for all newly acquired **Dependents** must be received within 60 days of marriage or within 91 days of birth or placement of a Dependent child as defined herein. **Otherwise, enrollment and payment cannot be accepted after the **Dependent** Enrollment Deadline Dates listed.**

Optional Catastrophic Coverage

The Lifetime Aggregate Maximum of \$250,000 under **Basic SHIP** may be increased to \$500,000 by paying the appropriate additional premium.

This coverage may only be purchased by students who are eligible for and are enrolled in **Basic SHIP** and it may only be purchased at the beginning of the Policy Year in the Fall Term (by the Deadline Date below).

(continued on page 4)

ENROLLMENT (continued from page 3)

This coverage begins payment after the Lifetime Aggregate Maximum of \$250,000 has been reached under **Basic SHIP**, providing an additional \$250,000 benefit for a combined Lifetime Aggregate Maximum of \$500,000 for all **conditions**.

Students may enroll (along with eligible **Dependents**) in the Optional Catastrophic Coverage online with a MasterCard or Visa at www.renstudent.com/boisestate by the Enrollment Deadline Date below. Students who wish to pay by check or money order may download an enrollment form from www.renstudent.com/boisestate and submit the completed form, along with the proper payment, to Renaissance Insurance Agency, Inc. (must be postmarked by the Enrollment Deadline Date below).

*Changes from one plan maximum of coverage to another are allowed only at the beginning of the Policy Year in the Fall Term (by the Deadline Date). **Dependents may only enroll in the Optional Catastrophic Coverage if the student is also enrolled in the Optional Catastrophic Coverage.***

Deadline to Enroll in the Optional Catastrophic Coverage

September 3, 2010

SHIP Continuation

Students may enroll in **SHIP Continuation** online with a MasterCard or Visa at www.renstudent.com/boisestate within 31 days of the termination date of their current coverage under SHIP. Students who wish to pay by check or money order may download an enrollment form from www.renstudent.com/boisestate and submit the completed form, along with the proper payment, to Renaissance Insurance Agency, Inc. (must be postmarked within 31 days of the termination date of their current coverage under SHIP). Eligible **Dependents** of enrolled students may also be enrolled under **SHIP Continuation** provided they were also covered under SHIP in the immediately preceding term. **The three (3) month SHIP Continuation coverage may only be purchased once per lifetime.**

COSTS OF COVERAGE

Basic SHIP	Fall	Spring/Summer
Student	\$ 787.00	\$ 787.00
Spouse	\$ 925.00	\$ 1,277.00
Child(ren)	\$ 793.00	\$ 1,095.00
Optional Catastrophic Coverage	Annual	
Student	\$ 293.00	
Spouse	\$ 892.00	
Child(ren)	\$ 537.00	

These rates are in addition to the Basic SHIP rates above and are charged in the Fall term. In order to continue the Optional Catastrophic Coverage in the Spring/Summer term, students (and Dependents if applicable) must enroll in the Basic for Spring/Summer.

SHIP Continuation—3 Months	Basic	Catastrophic*
Student	\$ 810.00	\$ 149.00
Spouse	\$1,135.00	\$ 412.00
Child(ren)	\$ 975.00	\$ 241.00

* Paid in addition to the Basic SHIP Continuation rates.

Student costs are pending State Board approval of the 2010-2011 fee structure later this spring.

The Spouse and Child(ren) costs are *in addition to* the Student cost.

PREMIUM REFUNDS

Except in the case of a medical withdrawal, if a student withdraws from school during the first 31 days of coverage under the plan a full refund of premium for the applicable term will be made upon request and the coverage will be as if it had never been in effect. In addition, if a student enters full-time active military service or, in the case of an international student, permanently returns to the home country or country of regular domicile, a pro rata refund will be issued only upon written request from the school. Otherwise, premium refunds are not allowed. **In the event a claim has been filed, premium is fully earned and a refund is not available under any circumstances.**

TERMS OF COVERAGE**Effective Date**

Coverage for students and student-athletes enrolling in **Basic SHIP** will become effective at 12:01 a.m. on the effective date of the term for which premium has been paid.

Coverage for students enrolling in the Optional Catastrophic Coverage will become effective at 12:01 a.m. on the effective date of the term for which premium has been paid, provided enrollment and proper payment are received by the Deadline Date.

For students who previously waived coverage under SHIP and elect to enroll later due to an Involuntary Loss of Coverage, coverage will be effective at 12:01 a.m. on the day **after** the date **that payment** and completed enrollment form received by mail are postmarked, provided it is within 31 days of the termination of prior coverage.

Coverage for students enrolling in **SHIP Continuation** becomes effective at 12:01 a.m. **on the termination** date of their final term of coverage as a registered student, provided enrollment and payment are received within 31 days of this date.

Coverage for eligible **Dependents** becomes effective at 12:01 a.m. on the latest of: 1) the first date of the applicable term in which the **Dependent** is enrolling; 2) the day **after** the date that online enrollment is completed; or 3) the day **after** the date that full payment and completed application received by mail are postmarked.

Termination Date

Coverage terminates at 12:01 a.m. on the earliest of the following dates:

1. The date the Policy is terminated by the Policyholder or the Company;
2. The last day of the Term of Coverage for which premium is paid;
3. The date an Insured Person enters full-time active military service or, for international students, the date the Insured Person permanently returns to the home country;
4. The last day of the period through which premium has been paid, following the date a **Dependent** ceases to be a **Dependent** as described herein.

(continued on page 6)

TERMS OF COVERAGE (continued from page 5)

Dependent coverage will not be effective prior to that of the student or extend beyond that of the student, except as specifically provided under the Extension of Benefits provision.

Term	Effective Date	Termination Date	Dependent Enrollment Deadline
Students and Dependents			
Fall	8/14/10	1/15/11	9/03/10
Spring/Summer	1/15/11	8/15/11	1/31/11
Student-Athletes and Dependents			
Fall	7/31/10	1/01/11	9/03/10
Spring/Summer	1/01/11	8/01/11	1/31/11

We do not send termination or renewal notices. It is the Insured's responsibility to renew coverage in a timely manner, subject to continuing eligibility. Eligibility requirements must be met each time premium is paid to continue coverage.

EXTENSION OF BENEFITS

The coverage provided under this Policy ceases on the Insured's termination date. However, if an Insured Person is totally disabled on the termination date from a covered Injury or Sickness for which benefits were paid, Covered Charges for such Injury or Sickness will continue to be paid until the date the disability ends, or for a period of 12 months, whichever is earlier.

The total payments made in respect of the Insured Person for such condition both before and after the termination date will never exceed the Lifetime Aggregate Maximum Benefit. After this Extension of Benefits provision has been exhausted, all benefits cease to exist and under no circumstances will further benefits be made. This provision is applicable only to the extent the Insured Person is not enrolled in the ensuing term of coverage in this plan or other similar health insurance coverage.

Dependents that are newly acquired during the Covered Student's Extension of Benefits period are not eligible for benefits under the provision. This Extension of Benefits provision does not apply to prescription drug coverage.

Totally disabled means, with respect to the Covered Student, the inability to attend classes at the location where he or she is enrolled. With respect to a Dependent, or the Covered Student if such classes are not in session, totally disabled means the inability to perform those activities that are normal for a person in good health of the same age and sex.

PREFERRED PROVIDER ORGANIZATION

This plan has incorporated into the coverage access to a Preferred Provider Organization (PPO) of Doctors, Hospitals and other facilities who have contracted to provide specific medical care at a discounted, negotiated rate. The Preferred Provider Organizations for this plan are the Idaho Physicians Network (IPN), which is available for local and statewide medical care, and First Health Network (FHN) which is available for medical care nationwide when seeking treatment outside of Idaho.

In-Network Providers (PPO)

Network access provides benefits nationwide for Covered Charges incurred at 80% of the Preferred Allowance for a covered Injury or Sickness when treated by network providers. When utilizing a PPO provider or facility there will be a 20% out-of-pocket Coinsurance expense for which the Insured Person is responsible.



When the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges incurred for treatment by a PPO Provider exceeds \$4,000 for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges incurred for treatment by a PPO Provider for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

For a complete listing of the PPO Hospital and Doctor facilities **within Idaho**, call the Idaho Physicians Network (IPN) at **1-866-476-1076** or visit www.ipnmd.com or www.renstudent.com/boisestate.

For PPO Hospital and Doctor facilities **outside of Idaho**, call the First Health Network at **1-800-226-5116** or visit www.myfirsthealth.com or www.renstudent.com/boisestate.

If an Insured Person is being treated by a Preferred Provider for an acute, serious chronic condition, pregnancy, newborn, or a terminal illness, and the Provider's contract terminates with the PPO, the Insured Person may be eligible under certain conditions to continue treatment with the Provider at the PPO rate. Contact the claims administrator for details.

Please be aware that if an Insured Person is treated at a PPO Hospital, it does not mean that all providers at that Hospital are PPO providers. In addition, if an Insured Person is referred by a PPO provider to another provider or facility, it does not mean that the provider or facility to which the Insured Person is referred is also a PPO provider. For instance, if a network Doctor gives a referral to a non-network lab for tests or a non-network anesthesiologist is used for a surgery in a network Hospital, the Insured Person will have to pay the higher Coinsurance for the non-network providers. It is the Insured's responsibility to verify that a provider is currently a member of the PPO Network. This information can be found on the network websites listed above.

Out-of-Network Providers (non-PPO)

If a non-PPO provider or facility is utilized, coverage is available worldwide at 60% of Reasonable and Customary Expenses (R&C). If a non-PPO provider or facility is utilized, there is a 40% Coinsurance factor for which the Insured Person is responsible. Covered Charges for Emergency treatment by a non-PPO provider or facility will be paid at 80% of R&C.

When the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges incurred for treatment by a non-PPO Provider exceeds \$6,000 for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges incurred for treatment by a non-PPO Provider for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

SCHEDULE OF BENEFITS

The Company will pay for the Covered Charges listed below, up to the following limits.

DEDUCTIBLE

The Insured Person is responsible for paying the Deductible amount listed before the Company will begin paying benefits.

In-Network Providers: \$250 per Policy Year

Out-of-Network Providers: \$500 per Policy Year

The Deductible is waived at University Health Services.

COINSURANCE MAXIMUM LIMIT

Once the Deductible has been met, the Policy pays 80% of Covered Charges when utilizing in-network providers and 60% of Covered Charges when utilizing out-of-network providers, except as specified below. If the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges exceeds the Coinsurance Maximum Limit for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

In-Network Providers: \$4,000 per Policy Year

Out-of-Network Providers: \$6,000 per Policy Year

LIFETIME AGGREGATE MAXIMUM

After satisfaction of the Deductible, the Company will pay for Medically Necessary Covered Charges incurred as the result of a Sickness or Injury, according to the applicable limits stated below, up to the Lifetime Aggregate Maximum of \$250,000 (\$500,000 if the Optional Catastrophic Coverage is purchased) for all conditions combined.

Coverage for Injuries sustained during participation in regularly scheduled inter-collegiate sports events of Boise State University (including the regular season for such sport, the supervised practice and tryout for such sport, and the travel to and from sports events and practices) is limited to a Policy Year Maximum of \$90,000 per Injury.

COVERED CHARGES are limited to the following:

INPATIENT	
HOSPITAL CONFINEMENT ROOM AND BOARD daily average semi-private room rate and general nursing care provided by a Hospital	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
INTENSIVE CARE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
MATERNITY AND NEWBORN CARE during Hospital Confinement, including routine nursery care provided immediately after birth	PPO: Paid as any other Sickness NON-PPO: Paid as any other Sickness LIMIT: up to 48 hours after birth (96 hours for cesarean delivery)

(continued on page 9)

SCHEDULE OF BENEFITS (continued from page 8)

INPATIENT (continued)	
HOSPITAL CONFINEMENT MISCELLANEOUS such as the cost of the operating room, laboratory tests, x-ray examinations including professional fees, anesthesia, drugs (excluding take-home drugs) or medicines, therapeutic services and supplies; dressings; oxygen tent	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
SKILLED NURSING FACILITY AND REHABILITATION CARE EXPENSE daily average semi-private room rate and general nursing care provided by the facility; includes miscellaneous services	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of 60 days per Policy Year
SURGICAL EXPENSE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: If multiple procedures are performed through the same incision or in immediate succession at the same operative session, the maximum amount paid will not exceed 50% of the second procedure and 50% of all subsequent procedures
ASSISTANT SURGEON	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ANESTHETIST professional services in connection with inpatient surgery	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
PRE-ADMISSION TESTING if testing occurs within 7 working days prior to admission	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
PHYSICAL THERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DOCTOR VISITS does not apply when related to surgery	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day
TREATMENT OF MENTAL DISORDERS AND/OR ALCOHOL AND SUBSTANCE ABUSE for inpatient or intermediate care	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of \$7,000 per Policy Year

(continued on page 10)

SCHEDULE OF BENEFITS (continued from page 9)

OUTPATIENT	
EMERGENCY ROOM EXPENSE for use of Hospital emergency room, operating room, laboratory and x-ray examinations, and supplies	COPAY: \$200 per visit (waived if admitted) PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C (80% in the case of an Emergency)
URGENT CARE CENTER	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DAY SURGERY MISCELLANEOUS scheduled surgery performed in a Hospital or outpatient facility, including use of operating room, laboratory tests and x-ray examinations (including professional fees), anesthesia, drugs or medicines (excluding take-home) and supplies, therapeutic services (excluding physical therapy)	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
SURGICAL EXPENSE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: If multiple procedures are performed through the same incision or in immediate succession at the same operative session, the maximum amount paid will not exceed 50% of the second procedure and 50% of all subsequent procedures
ASSISTANT SURGEON	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ANESTHETIST professional services in connection with outpatient surgery	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DOCTOR VISITS does not apply when related to surgery	UHS: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day
ROUTINE WELLNESS EXAM student only <i>Includes Doctor's visit and UHS-referred routine diagnostic x-ray and laboratory tests)</i>	UHS: 100% of Covered Charges PPO: not covered NON-PPO: not covered LIMIT: limited to one exam per Policy Year

(continued on page 11)

SCHEDULE OF BENEFITS (continued from page 10)

OUTPATIENT (continued)	
MEDICALLY NECESSARY TREATMENT OF ACNE	UHS: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ALLERGY TESTING AND TREATMENT	UHS: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
INJECTIONS when administered in a Doctor's office when no other service is received; includes allergy immunotherapy	UHS: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
CHIROPRACTIC TREATMENT includes diagnosis and related services	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of 24 visits per Policy Year
RADIATION THERAPY AND CHEMOTHERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
LABORATORY TESTS <i>UHS sends certain lab tests off-site for processing. These fees are payable at the PPO level and are subject to the Deductible.</i>	UHS: 100% of Covered Charges (only if processed at UHS) PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DIAGNOSTIC SERVICES includes x-rays, CAT scans, PET scans, MRI and nuclear medicine	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
TESTING FOR DISORDERS includes Doctor visits and related laboratory expenses for eating, learning, and sleep disorders	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
TREATMENT OF MENTAL DISORDERS AND/OR ALCOHOL AND SUBSTANCE ABUSE	UHS: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of 12 visits per Policy Year outside of UHS (no limit at UHS)
PRESCRIPTION DRUGS <i>Prescriptions are only available through the Express Scripts prescription drug card program.</i>	GENERIC COPAY: \$10 BRAND NAME COPAY: \$20 LIMIT: up to a \$500 retail price maximum per Policy Year (except for infusion therapy drugs) <i>The Copay applies to each 30-day supply.</i> To locate an Express Scripts pharmacy: www.Express-Scripts.com 1-800-447-9638

(continued on page 12)

SCHEDULE OF BENEFITS (continued from page 11)

OUTPATIENT REHABILITATION SERVICES (includes benefits for rehabilitation services that are expected to result in significant physical improvement within two months of the start of treatment)	
PHYSICAL THERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of 20 visits per Policy Year
MASSAGE THERAPY	UHS: 100% of Covered Charges PPO: not covered NON-PPO: not covered LIMIT: up to a maximum of 20 visits per Policy Year
OCCUPATIONAL THERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of 20 visits per Policy Year
SPEECH THERAPY payable only when the speech impediment or dysfunction results from Injury, stroke, autism or a congenital anomaly	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of 20 visits per Policy Year
PULMONARY THERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of 20 visits per Policy Year
CARDIAC THERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of 36 visits per Policy Year
OTHER	
AMBULANCE SERVICES for ground and air	PPO: 80% of Preferred Allowance NON-PPO: 80% of R&C LIMIT: for Emergency only
DURABLE MEDICAL EQUIPMENT/BRACES AND APPLIANCES includes diabetic supplies	UHS: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of \$2,500 per Policy Year (when Medically Necessary and prescribed by the attending Doctor)
INFUSION THERAPY includes all related services, supplies and drugs	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of \$3,000 per Policy Year

(continued on page 13)

SCHEDULE OF BENEFITS (continued from page 12)

OTHER (continued)	
PROSTHETIC DEVICES	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of \$2,500 per Policy Year (limited to a single purchase of each type of prosthetic device per Policy Year)
DENTAL TREATMENT for Injury to sound, natural teeth or extraction of abscessed teeth or impacted wisdom teeth only	PPO: 80% of Preferred Allowance NON-PPO: 80% of R&C LIMIT: must be started within 3 months of the Accident and completed within 12 months of Accident
PREGNANCY including complications of pregnancy	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: paid as any other Sickness
HOME HEALTH CARE must be under the direction of a Doctor and in conjunction with the need for skilled nursing care	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of 60 visits per Policy Year
HOSPICE EXPENSE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C

BREAST CANCER SCREENING

Coverage is provided for mammography examinations at the following intervals: 1) one baseline mammogram for any woman who is 35 through 39 years of age; 2) a mammogram every two years for any woman who is 40 through 49 years of age, or more frequently if recommended by the woman's physician; 3) a mammogram every year for any woman who is 50 years of age or older; and 4) a mammogram for any woman desiring a mammogram for medical cause.

BREAST RECONSTRUCTION FOLLOWING MASTECTOMY

Coverage is provided for breast reconstruction following mastectomy, including reconstruction of the breast on which the mastectomy has been performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, prostheses (e.g. breast implant) and treatment for physical complications of the mastectomy, including lymphedema.

GENERAL EXCLUSIONS

No benefits will be paid for loss or expense caused by, contributed to, or resulting from, or treatment, services, or supplies for, at, or related to:

1. Eyeglasses, contact lenses including but not limited to routine eye refractions, eye exams, radial keratotomy or similar surgical procedures to correct vision, except in the case of Injury;
2. Hearing screenings or hearing examinations or hearing aids and the fitting or repairing of hearing aids, except in the case of Injury;
3. Vaccinations, inoculations and preventive shots: a) required for travel; b) required for employment; c) provided as wellness or prevention; **except as specifically provided herein;**
4. Treatment (other than surgery) of chronic conditions of the foot including, but not limited to, weak or fallen arches, flat or pronated foot, subluxations of the foot, foot strain, care of corns, calluses, toenails or bunions, corrective shoes, shoe inserts and orthotics;
5. Cosmetic surgery, plastic surgery, resulting complications, consequences and after effects or other services and supplies that the Company determines to be furnished primarily to improve appearance rather than a physical function or control of organic disease, except as provided herein or for treatment of an Injury that is covered under the Policy. Improvements of physical function does not include improvement of self-esteem, personal concept of body image, or relief of social, emotional, or psychological distress. Procedures not covered include, but are not limited to: face lifts, rhinoplasty, sagging eyelids, prominent ears, skin scars, baldness, and correction of breast size, asymmetry or shape by means of reduction, augmentation, or breast implants (except for correction of deformity resulting from mastectomy or lymph node dissection). This exclusion does not include reconstructive surgery when the service is incidental to or follows surgery resulting from trauma, infection or other diseases of the involved part, and reconstructive surgery because of congenital disease or anomaly of a covered **Dependent** child;
6. Sexual reassignment surgery;
7. Treatment, service, or supply which is not Medically Necessary for the diagnosis, care or treatment of the Sickness or Injury involved;
8. Treatments which are considered to be unsafe, Experimental, or Investigational by the American Medical Association (AMA) and resulting complications;
9. Custodial care;
10. Treatment on or to the teeth or gums, except as provided herein;
11. TMJ;
12. For an Injury sustained by reason of a motor vehicle Accident to the extent that benefits are paid or payable by any other valid and collectible insurance whether or not claim is made for such benefits;
13. Reproductive/infertility services including but not limited to: fertility tests, infertility (male or female) including any services or supplies rendered for the purpose or with the intent of inducing conception. Examples of fertilization procedures are ovulation induction procedures, in vitro fertilization, embryo transfer or similar procedures that augment or enhance reproductive ability; artificial insemination; premarital examination; impotence, organic or otherwise;
14. **Sterilization or sterilization reversal; vasectomy; prescription and non-prescription birth control, except as specifically provided herein;**

(continued on page 15)

GENERAL EXCLUSIONS (continued from page 14)

15. Routine newborn infant care, well baby nursery and related Doctor charges including circumcision and congenital conditions, except as specifically provided for in this Policy for newborn or adopted infants;
16. Elective termination of pregnancy including the morning after pill, except to preserve the life of the female upon whom the abortion is performed;
17. Hospital Confinement or any other services or treatment for which the Insured Person is not legally obligated to pay or for which no charge is made;
18. Services provided normally without charge by the health service of the Policyholder, or services covered or provided by a student health fee;
19. Treatment in a government Hospital, unless there is a legal obligation for the Insured Person to pay for such treatment;
20. Any services of a Doctor, nurse, or health care practitioner who lives with the Insured Person or who is related to the Insured Person by blood or marriage;
21. Services received after the Insured's coverage ends, except as specifically provided under the Extension of Benefits Provision;
22. Vitamins, minerals, food supplements, herbs, herbal formulas, or home remedies; except as provided herein;
23. Any and all over the counter smoking cessation and treatment of nicotine addiction products;
24. Obesity treatment: services and associated expenses for the treatment of obesity and any resulting complications, consequences and after effects of treatment that involves surgery and any other associated expenses, including, but not limited to: a) gastric or intestinal bypasses; b) gastric balloons; c) stomach stapling; d) wiring of the jaw; e) panniculectomy; f) appetite suppressants; g) surgery for removal of excess skin or fat;
25. Injury or Sickness for which benefits are paid or payable under any workers' compensation or occupation disease law or act, or similar legislation;
26. War or any act of war, declared or undeclared; or while in the armed forces of any country;
27. Solid organs, including but not limited to: autologous and allogenic bone marrow transplants, autologous and allogenic stem cell transplants, including non-human organs or bone marrow; anything caused by, contributed to, or resulting from an organ transplant, including complications thereof;
28. Acupuncture or acupressure; aroma therapy; hypnotism; rolfing;
29. Nonmalignant warts, moles and lesions unless Medically Necessary;
30. Hyperhidrosis;
31. Snoring, including oral appliances for snoring, except when provided as part of treatment for documented obstructive sleep apnea;
32. Routine physical examinations, health examinations or preschool physical examinations, **except as specifically provided herein;**
33. Maintenance therapy which is defined as those therapy services rendered to a Covered Person who is no longer making documentable progress to maintain the level of progress previously attained;
34. Services of a private duty nurse;
35. Psychosurgery;
36. Growth hormone therapy; and
37. **Voluntary, elective or prophylactic treatment (medical, surgical or pharmacological) for a condition that is not presently exhibiting symptoms, or is in absence of a disease state or condition that is presently creating pathological changes to any body structure or function.**

PRE-EXISTING CONDITION LIMITATION

Pre-Existing Conditions are not covered for the first 12 months following the Insured's Effective Date of coverage under the Policy.

This limitation will not apply if, during the period immediately preceding the Insured's Effective Date of coverage under this Policy, the Insured Person was covered under prior Creditable Coverage for 12 consecutive months. Prior Creditable Coverage of less than 12 months will be credited toward satisfying the Pre-Existing Condition limitation. This waiver will apply only if the Insured Person becomes eligible and applies for coverage within 63 days of termination of his or her prior coverage.

Pregnancy, including complications of pregnancy, shall not be considered a Pre-Existing Condition under the Policy. In addition, this limitation will not apply to a newborn **Dependent** child or a child adopted by the Covered Student or placed with the Covered Student for adoption, if the adoption or placement for adoption occurs while the Covered Student is covered under the Policy.

Creditable Coverage includes:

- Any individual or group Policy, contract or program, that is written or administered by a disability insurance Company, health care service plan, fraternal Benefits society, self-Insured employer plan, or any other entity, and that arranges or provides medical, Hospital, and surgical Coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion Coverage but does not include accident only, credit, Coverage for onsite medical clinics, disability income, Medicare supplement, long-term care insurance, dental, vision, Coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which Benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance Policy or equivalent self-insurance.
- The Federal Medicare programs pursuant to Title XVIII of the Social Security Act.
- The Medicaid program pursuant to Title XIX of the Social Security Act.
- Any other publicly sponsored program, provided in this state or elsewhere, of medical, Hospital and surgical care.
- 10 U.S.C.A. Chapter 55 (commencing with Section 1071) (Civilian Health and Medical Program of the Uniformed services (CHAMPUS)).
- A medical care program of the Indian Health Service or of a tribal organization.
- A state health Benefits risk pool.
- A health plan offered under 5 U.S.C.A. Chapter 89 (commencing with Section 8901) (Federal Employees Health Benefits Program (FEHBP)).
- A public health plan as defined in federal regulations authorized by Section 2701(c) (1)(I) of the Public Health Service Act, as amended by Public Law 104-191, the Health Insurance Portability and Accountability Act of 1996.
- A health Benefit plan under Section 5(e) of the Peace Corps Act (22 U.S.C.A. Sec. 2504(e)).
- Any other Creditable Coverage as defined by subsection (c) of Section 2701 of Title XXVII of the federal Public Health Services Act (42 U.S.C. Sec. 300gg(c)).

COORDINATION OF BENEFITS

This plan is primary, however, if an Insured Person is also covered under one or more other plans, the benefits payable under this Policy will be coordinated with the benefits payable under the other plan(s). Coordination of Benefits means the order in which claims are paid. Coordination permits secondary plans to reduce their benefits so that the combined benefits of all plans do not exceed 100% of the total allowable expenses. For further explanation of Coordination of Benefits, please see the policy on file at the University or contact AmeriBen.

DEFINITIONS

The terms shown below shall have the meaning given in this section whenever they appear in the brochure.

Accident means an event that is sudden, unexpected, and unintended, and over which the Insured Person has no control.

Coinsurance means the percentage of the expense for which the Insured Person is responsible for a covered service.

Coinsurance Maximum Limit means the maximum amount of money an Insured Person pays for Coinsurance amounts in a Policy Year. This amount is shown on the Schedule of Benefits. There are separate Coinsurance Maximum Limit amounts for in-network and out-of-network benefit levels.

Copayment (Copay) means a specified dollar amount an Insured Person must pay for specified charges. The Copayment is separate from and not a part of the Deductible or Coinsurance or Coinsurance Maximum Limit.

Covered Charge means those charges for any treatment, services or supplies: 1) for network providers not in excess of the Preferred Allowance; 2) for non-network providers not in excess of the charges of the Reasonable and Customary Expense therefore; and 3) not in excess of the charges that would have been made in the absence of this insurance; and 4) incurred while this Policy is in force as to the Insured Person, except with respect to any covered expense payable under the Extension of Benefits Provision.

Covered Student means an eligible student of the University who is insured under the Policy.

Deductible means the amount of expenses for covered services and supplies which must be incurred by the Insured Person before specified benefits become payable.

Dependent means a person who is the Covered Student's:

- Legally married spouse, who is not legally separated from the Covered Student and resides with the Covered Student; or
- Unmarried child under the age of 25 who receives more than one-half of his or her financial support from the Covered Student.

The term child refers to the Covered Student's unmarried:

- Natural child;
- Stepchild or foster child. A stepchild is a Dependent on the date the Covered Student marries the child's parent. A foster child is a Dependent from the moment of placement with the Covered Student as certified by the agency making the placement; or
- Adopted child, including a child placed for adoption with the Covered Student, from the moment of placement as certified by the agency making the placement. Placed for adoption or placement means the assumption and retention by a Covered Student of a legal obligation for total or partial support of a child in anticipation of the adoption of the child. The child's placement with a Covered Student terminates upon the termination of that legal obligation.

(continued on page 18)

DEFINITIONS (continued from page 17)

Doctor means: 1) a legally qualified physician licensed by the state in which he or she practices; 2) a practitioner of the healing arts performing services within the scope of his or her license as specified by the laws of the state of residence of such practitioner; or 3) a certified nurse midwife while acting within the scope of that certification. The term does not include a person who ordinarily resides in the Insured Person's home or is related to the Insured Person by blood or marriage.

Emergency means Sickness or Injury for which immediate medical treatment is sought at the nearest available facility. The condition must be one which manifests itself by acute symptoms which are sufficiently severe (including severe pain) that a prudent layperson with average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in any of the following:

1. Placing the health of the individual or, with respect to a pregnant woman, the health of the woman or her unborn child in serious jeopardy; or
2. Serious impairment to bodily functions; or
3. Serious dysfunction of any bodily organ or part.

Experimental/Investigational means the service or supply has not been demonstrated in scientifically valid clinical trials and research studies to be safe and effective for a particular indication.

Hospital means a facility which provides diagnosis, treatment, and care of persons who need acute inpatient hospital care under the supervision of Doctors. It must be licensed as a general acute care hospital according to state and local laws. Hospital shall also include a psychiatric health facility for the treatment of mental or psychoneurotic disorders. Facilities primarily treating drug addiction or alcoholism that are licensed to provide these services are also included in this definition.

Hospital does not include an institution, or part thereof, which is other than incidentally a nursing home, a convalescent hospital, or a place for rest or the aged.

Hospital Confinement means confinement in a Hospital for at least 18 hours for which a room and board charge is made by reason of Sickness or Injury for which benefits are payable. The readmission for the same or related Sickness or Injury, within a 72 hour period, will be considered a continuation of confinement.

Injury means bodily Injury due to a sudden, unforeseeable, external event which results solely, directly and independently of disease, bodily infirmity or any other causes. All injuries sustained in any one Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury.

Insured Person means an eligible student or eligible **Dependent** who has been accepted for coverage and who has paid the required premium.

Involuntary Loss of Coverage means that prior coverage has been involuntarily terminated due to no fault of the Insured, which includes coverage that terminates due to a loss of employment by the student or the student's spouse or parent. This definition does not include coverage that has a predetermined termination date, or expiration of COBRA eligibility, and does not apply to coverage that has been voluntarily terminated.

Lifetime Aggregate Maximum means the amount payable by the Company for incurred Covered Charges for all Injuries or Sicknesses paid under this Policy or under any other Policy issued to the University by this Company.

Medically Necessary means a treatment, drug, device, procedure, supply or service that is necessary and appropriate for the diagnosis or treatment of a Sickness or Injury in accordance with generally accepted standards of medical practice in the United States at the time it is provided.

(continued on page 19)

DEFINITIONS (continued from page 18)

A treatment, drug, device, procedure, supply or service shall not be considered Medically Necessary if it:

1. Is Experimental/Investigational or for research purposes;
2. Is provided solely for educational purposes or the convenience of the patient, the patient's family, Doctor, Hospital or any other provider;
3. Exceeds in scope, duration or intensity the level of care that is needed to provide safe, adequate and appropriate diagnosis or treatment and where ongoing treatment is merely for maintenance or preventive care;
4. Could have been omitted without adversely affecting the patient's condition or the quality of medical care;
5. Involves treatment with or the use of a medical device, drug or substance not formally approved by the U.S. Food and Drug Administration (FDA). If the prescribed drug is recognized as safe and effective for the treatment of a Sickness or Injury by one or more of the Standard Medical Reference Compendia or in the Medical Literature, even if the prescribed drug has not been approved by the FDA for the treatment of that specific Sickness or Injury, coverage will be provided, subject to the exclusions and limitations of the Policy;
6. Involves a service, supply or drug not considered reasonable and necessary by the Healthcare Financing Administration Medicare Coverage Issues Manual; or
7. Can be safely provided to the patient on a more cost-effective basis such as outpatient, by a different medical professional, or pursuant to a more conservative form of treatment.

Mental Disorder means nervous, emotional, and mental disease, illness, syndrome or dysfunction classified in the most recent addition of the Diagnostic and Statistical Manual of Mental Disorders (DSM IV) or its successor as a mental disorder on the date medical care or treatment is rendered to an Insured Person.

Pre-Existing Condition means Sickness or Injury for which medical care, treatment, diagnosis or advice was received or recommended within the six (6) consecutive months prior to the Insured's Effective Date of coverage under the Policy.

Preferred Allowance means the amount a network provider has agreed to accept as payment in full for Covered Charges.

Reasonable and Customary Expense (R&C) means the most common charge for similar professional services, drugs, procedures, devices, supplies or treatment within the area in which the charge is incurred, so long as those charges are reasonable. The most common charge means the lesser of:

1. The actual amount charged by the provider;
2. The negotiated rate, if any; or
3. The charge which would have been made by a provider of medical services for a comparable service or supply in the same geographic area, as reasonably determined by the Company.

Geographic area means the first three digits of the zip code in which the service, treatment, procedure, drugs or supplies are provided or a greater area, if necessary, to obtain a representative cross-section of charge for a like treatment, service, procedure, device, drug or supply.

Reasonable charges, fees or expenses as used herein to describe expense, will be considered to mean the percentile of the payment system in effect on the Effective Date of the Policy.

Sickness means illness, disease, pregnancy and complications of pregnancy. All related conditions and recurrent symptoms of the same or a similar condition will be considered the same sickness.

CLAIM PROCEDURE

Student-athletes must report any Injury due to participation in intercollegiate sports directly to the Boise State University Athletic Insurance Coordinator.

Otherwise, in the event of an Injury or Sickness, UHS and most network (PPO) providers will submit the claim directly to AmeriBen for you. However, if the provider does not file the claim for you, you will be responsible for submitting the claim for reimbursement. In this case, follow these instructions:

1. After you receive treatment, complete the insurance company claim form.
 - a) You may download a claim form from www.myameriben.com.
 - b) Answer all the questions and be sure to sign the claim form before submitting it.
2. If you have any other expenses such as medicines, x-rays or laboratory charges, be sure to attach these bills to the claim form.
3. Send your claim form and all other bills or receipts to AmeriBen at the address below. Try to have all itemized bills attached to the same claim form.
 - a) Please do not send bills without completed claim form. Bills cannot be considered unless all the information required on the claim form is submitted.
 - b) A properly completed claim form must be submitted for each Injury or Sickness.
4. Claim forms and bills should be sent to:

**AmeriBen
P.O. Box 6947
Boise, ID 83707-0947**

**Providers may submit claims electronically:
PAYER ID 75137**

5. If you have questions about the status of your claim after it has been submitted, please call AmeriBen at **1-877-955-1556** (Monday–Friday, 7:00 a.m to 6:00 p.m.). You may also log on to www.myameriben.com to check on your claim status, view your Explanation of Benefits (EOB), access answers to frequently asked questions or submit inquiries by email directly to the AmeriBen Customer Care Center.

A claim must be submitted within 90 days after an Injury or Sickness has occurred in order for the claim to be paid.

You have the right to request an independent medical review if health care services have been improperly denied, modified, or delayed based on medical necessity.

Always keep a copy of all documents submitted for claims.

TRAVEL ASSISTANCE PROGRAM

The following is a detailed description of covered services included under the Travel Assistance Program provided to students and Dependents who are enrolled in the Student Health Insurance Plan (SHIP). The Travel Assistance Program is provided through Nationwide Life Insurance Company, in association with OnCall International.

All services must be provided by the Travel Assistance Program. Any expenses associated with these services are the insured student's responsibility except as provided herein. No claims for reimbursement will be accepted.

Coverage begins only when a covered participant is 100 miles or more from his or her primary residence or when in a foreign country, except as specified herein.

WORLDWIDE 24-HOUR EMERGENCY TRAVEL ASSISTANCE

If you are traveling and have an emergency, please contact the call center, OnCall International, available 24 hours a day, seven days a week:

Call from the United States or Canada: **1-866-525-1957**

Call collect from anywhere else in the world: **1-603-898-9159**

Email: **mail@oncallinternational.com**

EMERGENCY TRANSPORTATION SERVICES

Emergency Evacuation: If you suffer an Injury or Sickness and adequate medical facilities are not available locally in the opinion of the Travel Assistance Program's Medical Director, the Travel Assistance Program will provide emergency evacuation (under medical supervision, if necessary) by whatever means necessary to the nearest facility capable of providing adequate care. Services included arranging and paying for transportation and related medical services (including cost of medical escort, if necessary) and medical supplies necessarily incurred in connection with the emergency evacuation.

Medically Necessary Repatriation: After initial treatment and stabilization for an Injury or Sickness, if the attending Physician and the Travel Assistance Program's Medical Director deem it medically necessary, the Travel Assistance Program will transport you back to your permanent place of residence for further medical treatment or to recover. Services include arranging and paying for transportation and related medical services (including cost of medical escort, if necessary) and medical supplies necessarily incurred in connection with the repatriation.

Repatriation of Remains: In the event of your death, the Travel Assistance Program will render assistance and provide for the return of mortal remains. Services include arranging and paying for the following: location of a sending funeral home; transportation of the body from the site of death to the sending funeral home to the airport; minimally necessary casket or air tray for transport; coordination of consular services (in the case of death overseas); procuring death certificates; and transport of the remains from the airport to the receiving funeral home. Other services that might be performed in conjunction with those listed above include: making travel arrangements for any traveling companions; identification and/or notification of next-of-kin. Repatriation of Remains services are subject to a maximum coverage limit of \$25,000.

Visit by Family Member or Friend: If you are hospitalized for more than seven (7) days and are traveling alone, the Travel Assistance Program will arrange and provide your family member or friend with transportation to visit you. Visit by Family Member or Friend services are subject to a maximum coverage limit of \$5,000, to include one (1) round trip economy ticket, meals and reasonable accommodations up to a maximum of 10 days.

(continued on page 22)

TRAVEL ASSISTANCE (continued from page 21)

Return of Dependent Children: If you are hospitalized for more than seven (7) days, the Travel Assistance Program will arrange and pay for the return of your minor children who are under 19 years of age, and if necessary, accompany him or her with an attendant, up to a maximum coverage limit of \$5,000 per event.

Return of Traveling Companion: If your traveling companion loses previously made travel arrangements due to your medical emergency, the Travel Assistance Program will arrange and pay for your traveling companion's return home by the most direct and economical route, up to a maximum coverage limit of \$5,000 per event.

Assistance Services	Maximum Limit
Emergency Evacuation.....	Unlimited
Medically Necessary Repatriation	Unlimited
Repatriation of Remains	\$ 25,000
Visit by family member or friend	\$ 5,000
Return of Dependent Children.....	\$ 5,000
Return of Traveling Companion.....	\$ 5,000

MEDICAL ASSISTANCE SERVICES

Medical Referrals: The Travel Assistance Program will assist you in finding physicians, dentists, and medical facilities.

Medical Monitoring: During the course of a medical emergency, the Travel Assistance Program's professional case managers, including physicians and nurses, will make sure the appropriate level of care is maintained or determine if further intervention, medical transportation, or possibly repatriation (return to U.S.) is needed. The Travel Assistance Program will provide case notification, both foreign and domestic, between the patient, family, physician, employer, travel company, and consulate as needed. The Travel Assistance Program will continue to provide all necessary international claim coordination, to include hospital bill translation and interpretation, as needed.

Emergency Medical Payments: When it is necessary for you to obtain needed medical services, upon request, the Travel Assistance Program will advance in local currency, up to \$10,000 to cover on-site medical expenses. The advance of funds will be made to the medical provider after the Travel Assistance Program has secured funds from you or your family.

Replacement of Medication and Eyeglasses: The Travel Assistance Program will arrange to fill a prescription that has been lost, stolen, or requires a refill, subject to local law, whenever possible. The Travel Assistance Program will also arrange for shipment of replacement eyeglasses. Costs for shipping of medication or eyeglasses, or a prescription refill, etc. are your responsibility.

Hotel Convalescence Arrangements: The Travel Assistance Program can assist you with hotel arrangements if you or your companion needs to convalesce in a hotel prior to or following medical treatment.

Medical Insurance Assistance: The Travel Assistance Program can assist you by coordinating notifications to medical insurers or managed care organizations, verifying policy enrollment, confirming medical benefits coverage, guaranteeing medical payments, assisting in the coordination of multiple insurance benefits, and handling claims paperwork flow.

Prescription Drug Assistance: When permitted by law and approved by the patient's physicians, the Travel Assistance Program will assist you in obtaining prescription drugs and other necessary personal medical items that may have been forgotten, lost or depleted while traveling.

(continued on page 23)

TRAVEL ASSISTANCE (continued from page 22)**LEGAL ASSISTANCE**

Locating Legal Services: The Travel Assistance Program can assist in contacting a local attorney or the appropriate consular officer if you are arrested or detained, involved in an automobile accident, or otherwise need legal help. The Travel Assistance Program will maintain communications with you, your family, and employer until legal counsel has been retained by you.

Bail Bond Services: The Travel Assistance Program can assist in securing bail bond services in all available locations.

BAGGAGE ASSISTANCE

The Travel Assistance Program can assist you if your baggage is lost, stolen, or delayed while traveling on a common carrier. The Travel Assistance Program will advise you of the proper reporting procedures and will help you maintain contact with the appropriate companies or authorities to help resolve the problem.

EMERGENCY PAYMENT ASSISTANCE

The Travel Assistance Program can assist you in obtaining an advance of funds for medical expenses or other travel emergencies by coordinating directly with your family, or your credit card company, bank, employer, plan sponsor or other sources of credit.

PRE-TRIP ASSISTANCE

Pre-trip assistance is available at any time and is not subject to the 100-mile travel requirement.

Passport and Visa Information: The Travel Assistance Program can advise you of the required documentation to enter and depart foreign destinations.

Health Hazards Advisory: The Travel Assistance Program can provide you with up to date travel advisories.

Inoculation Requirements: Medical entry requirements can be provided to you prior to your departure.

Weather Information: The Travel Assistance Program maintains current information regarding weather conditions for both domestic and international travel destination. This information will be provided to you through the Travel Assistance Program Call Center.

Currency Exchange Information: The Travel Assistance Program can provide you with the daily currency exchange rate for a specified country.

Consulate and Embassy Locations: The Travel Assistance Program maintains a complete listing of consulates and embassies. These locations are accessible to you by calling the Travel Assistance Program Call Center.

Translation and Interpreter Services: Professional translators and interpreters can be reached 24-hours a day to obtain translation or interpreter assistance services during emergency situations while traveling internationally.

Travel Locator Service: You can contact the Travel Assistance Program Call Center 24 hours a day, seven (7) days a week, for assistance in locating hotels, airports, sports facilities, campgrounds, and tourist attractions.

EMERGENCY MESSAGE ASSISTANCE

The Travel Assistance Program can record emergency messages from you or emergency messages for you for 24-hour periods. These messages may be retrieved at anytime by you, your family, or business associates.

EMERGENCY CASH ASSISTANCE

The Travel Assistance Program can assist you with emergency cash up to \$500. Arrangements will be made through a friend, family member, business, or your credit card in the event of an emergency. All fees associated with the transfer or deliveries of funds are your responsibility.

(continued on page 24)

TRAVEL ASSISTANCE (continued from page 23)**EMERGENCY TICKET REPLACEMENT**

The Travel Assistance Program can assist you in replacing lost or stolen airline tickets.

EMERGENCY CARD REPLACEMENT

The Travel Assistance Program can assist you with emergency card replacement if you should experience a loss, theft, or damage to your credit card or membership card.

EXCLUSIONS AND LIMITATIONS

1. The Travel Assistance Program shall not provide services enumerated if the coverage is sought as a result of: a) involvement in any act of war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, and insurrection, military or usurped power; b) traveling against the advice of a Physician; traveling for the purpose of obtaining medical treatment; c) traveling in any country in which the U.S. State Department issued travel restrictions; d) the commission of or attempt to commit an unlawful act; e) mental or emotional disorders, unless hospitalized; f) participation as a professional in athletics; g) services provided for you for which no charge is normally made; or h) travel within 100 miles of your primary residence, unless in a foreign country.
2. The services described above currently are available in every country of the world. Due to political and other situations in certain areas of the world, the Travel Assistance Program may not be able to respond in the usual manner. It is your responsibility to inquire whether a country is "open" for assistance prior to your departure and during your stay. The Travel Assistance Program also reserves the right to suspend, curtail or limit its services in any area in the event of rebellion, riot, military uprising, war, terrorism, labor disturbance, strikes, nuclear accidents, acts of God or refusal of authorities to permit the Travel Assistance Program to fully provide services.
3. If you request a transport related to a condition that has not been deemed medically necessary by a physician designated by the Travel Assistance Program in consultation with a local attending physician or to any condition excluded hereunder, and you agree to be financially responsible for all expenses related to that transport, the Travel Assistance Program will arrange but not pay for such transport to a medical facility or to your residence and will make such arrangements using the same degree of care and completeness as if the Travel Assistance Program was providing service under this agreement. A waiver of liability will be required prior to arranging these transportation services.
4. The Travel Assistance Program shall not be responsible for any claim, damage, loss, costs, liability or expense which arises in whole or in part as a result of the Travel Assistance Program's inability to verify the participant's eligibility.

All transportation benefits provided hereunder must be by the most direct and economical route possible.

For the purposes of this Description of Covered Services, the following definitions shall apply: 1) "Injury" means identifiable injury caused by an Accident; 2) "Accident" means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place; 3) "Sickness" means a sickness of the participant declares itself during the period when services are available under this Agreement.

The Travel Assistance Program is not responsible and cannot be held liable for any malpractice performed by a local physician or attorney who is not an employee of the Travel Assistance Program, or for any loss or damage to your vehicle during the return of vehicle, or for any loss or damage to any personal belongings.

CERTIFICATION OF QUALIFYING HEALTH PLAN COVERAGE

If an Insured Person is no longer eligible to be insured under the plan, the Insured Person should request a Certification of Qualifying Health Plan Coverage from Renaissance Insurance Agency, Inc. This request can be made by phone or in writing. This request must include the name of the school and the name of each person who is no longer eligible to be insured under the plan.

AUTHORIZED REPRESENTATION

In accordance with state and federal rules and regulations, we will not disclose individual information without authorization. This includes disclosures to family members for insured individuals who have reached the age of majority.

If the Insured Person would like to authorize an additional party to act as a personal representative for matters pertaining to this insurance plan, we must have an Authorization Form on file. To request a form, please contact Renaissance Insurance Agency, Inc. at the address below or complete a form via the internet at: www.renstudent.com.

SUMMARY OF PRIVACY POLICY

We strongly believe in maintaining the confidentiality of the personal information we obtain and/or receive about Insured Persons and we are committed to protecting the privacy of Insured Persons. We do not disclose any nonpublic information about Insured Persons to anyone, except as permitted or required by law. We do not sell or otherwise disclose Insured Person's personal information to anyone for purposes unrelated to our products and services. We maintain physical, electronic and procedural safeguards that comply with federal and state regulations to protect information about Insured Persons from unauthorized disclosure. We may disclose any information we believe necessary to conduct our business as is legally required. Insured Persons have the right to access, review and correct all personal information collected. Insured Persons may review this Privacy Policy in its entirety, or the Privacy Policies of other entities servicing the Policy, by writing to the address or visiting the website shown below. Insured Persons may also submit a request, in writing, to review your information at the address below.

Renaissance Insurance Agency, Inc.
 Attention Privacy Manager
 P.O. Box 2300
 Santa Monica, CA 90407-2300
 Phone: 1-800-537-1777
 Facsimile: 1-310-394-0142
 Website: www.renstudent.com

NATIONWIDE LIFE HIPAA NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW PROTECTED HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

The terms of this Notice of Privacy Practices apply to Nationwide Life Insurance Company®, National Casualty Company, and the area within Nationwide Mutual Insurance Company® that performs healthcare functions. In this Notice, "Nationwide Life" or "We" means the healthcare functions of Nationwide Life Insurance Company, which is a hybrid covered entity. the healthcare functions of National Casualty Company, and Nationwide Mutual Insurance Company, a business associate As permitted by law, Nationwide Life will share protected health information (PHI) of members as necessary to carry out treatment, payment, and healthcare operations.

We are required by HIPAA and certain state laws to maintain the privacy of our members' PHI and to provide members with notice of our legal duties and privacy practices with respect to their PHI. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all PHI maintained by us. Copies of the revised notices will be mailed to all current plan members or insureds.

Protected health information (PHI) that is the subject of this Notice is information that is created or received by Nationwide; and relates to the past, present, or future physical or mental health or condition of a member; the provision of health care to a member; or the past, present, or future payment for the provision of health care to a member; and that identifies the member or for which there is a reasonable basis to believe the information can be used to identify the member. It includes information of persons living or deceased.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

Your Authorization. Except as outlined below, we will not use or disclose your PHI for any purpose unless you have signed a form authorizing the use or disclosure. You have the right to revoke that authorization in writing, unless we have taken any action in reliance on the authorization.

Other Uses and Disclosures. We are permitted or required by law to make certain other uses and disclosures of your PHI without your authorization. We may release your PHI for any purpose required by law. This may include releasing your PHI to law enforcement agencies; public health agencies; government oversight agencies; workers compensation; for government audits, investigations, or civil or criminal proceedings; for approved research programs; when ordered by a court or administrative agency; to the armed forces if you are a member of the military; and other similar disclosures we are required by law to make. We may release your PHI to your plan sponsor, provided your plan sponsor certifies that the information provided will be maintained in a confidential manner and not used in any other manner not permitted by law.

(continued on page 27)

HIPAA NOTICE (continued from page 26)

OTHER PRIVACY LAWS AND REGULATIONS

Certain other state and federal privacy laws and regulations may further restrict access to and uses and disclosures of your personal health information or provide you with additional rights to manage such information. If you have questions regarding these rights, please send a written request to your designated contact.

RIGHTS THAT YOU HAVE

Access to Your Protected Health Information. You have the right to copy and/or inspect much of the PHI that we retain on your behalf. All requests for access must be made in writing and signed by you or your personal representative. We may charge you a fee if you request a copy of the information. The amount of the fee will be indicated on the request form. A request form can be obtained by writing your designated contact.

Amendments to Your Protected Health Information. You have the right to request that the PHI that we maintain about you be amended or corrected. We are not obligated to make all requested Amendments but will give each request careful consideration. If the information is incorrect or incomplete and we decide to make an amendment or correction, we may also notify others who work with us and have copies of the uncorrected record if we believe that such notification is necessary. A request form can be obtained by writing to your designated contact.

Accounting for Disclosures of Your Protected Health Information. You have the right to receive an accounting of certain disclosures made by us of your PHI. Requests must be made in writing and signed by you or your personal representative. A request form can be obtained by writing your designated contact.

Restrictions on Use and Disclosure of Your Protected Health Information. You have the right to request restrictions on some of our uses and disclosures of your PHI. We are not required to agree to your restriction request. A request form can be obtained by writing your designated contact.

Disclosures for Treatment, Payment and Health Care Operations. We will make disclosures of your PHI as necessary for your treatment, payment, and/or health care operations. For instance, for your Treatment, a doctor or health facility involved in your care may request information we hold in order to make decisions about your care. For Payment, we may disclose your PHI to our pharmacy benefit manager for administration of your prescription drug benefit. For Health Care Operations, we will use and disclose your PHI as necessary, and as permitted by law, for our health care operations, which include responding to customer inquiries regarding benefits and claims.

Family and Friends Involved In Your Care. With your approval, we may from time to time disclose your PHI to designated family, friends, and others who are involved in your care or in payment for your care in order to facilitate that person's involvement in caring for you or paying for your care.

If you are unavailable, incapacitated, or facing an emergency medical situation, and we determine that a limited disclosure may be in your best interest, we may share limited PHI with such individuals without your approval.

(continued on page 28)

HIPAA NOTICE (continued from page 27)

Business Associates. Certain aspects and components of our services are performed through contracts with outside persons or organizations. At times it may be necessary for us to provide some of your PHI to one or more of these outside persons or organizations. In all cases, we require these business associates by contract to appropriately safeguard the privacy of your information.

Other Health-Related Products or Services. We may, from time to time, use your PHI to determine whether you might be interested in or benefit from treatment alternatives or other health-related programs, products, or services which may be available to you as a member of the health plan. For example, we may use your PHI to identify whether you have a particular illness, and advise you that a disease management program to help you manage your illness better is available to you. We will not use your information to communicate with you about products or services which are not health-related without your written permission.

Information Received Pre-enrollment. We may request and receive from you and your health care providers PHI either prior to your enrollment in the health plan or the issuance of your policy. We will use this information to determine whether you are eligible to enroll in the health plan and to determine your rates. We will protect the confidentiality of that information in the same manner as all other PHI we maintain and, if you do not enroll in the health plan we will not use or disclose the information about you we obtained without your authorization.

Communications With You. You have the right to request and we will accommodate reasonable requests by you to receive communications regarding your PHI information from us by alternative means or at alternative locations. A request form can be obtained by writing your designated contact.

Complaints. If you believe your privacy rights have been violated, you can file a written complaint with your designated contact as explained in the "Contact Information" section, below. You may also file a complaint with the Secretary of the U.S. Department of Health and Human Services, Office of Civil Rights, in writing within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

CONTACT INFORMATION

If you have any questions about this statement, need copies of any forms or require further assistance with any of the rights explained above, contact us by calling **1-877-955-1556**, or mail your request to:

Karen Maciejewski

Privacy Officer

AmeriBen

3449 East Copper Point Drive

Meridian, ID 83642

As a member, you retain the right to obtain a paper copy of this Notice of Privacy Practices, even if you have requested such copy by e-mail or other electronic means.

EFFECTIVE DATE

This Nationwide Life HIPAA Notice of Privacy Practices is effective April 14, 2003.

IMPORTANT INFORMATION

This brochure describes your benefits under the plan of insurance sponsored by your school. It is not a contract of insurance. Your coverage is governed by a policy of blanket injury and sickness insurance underwritten by Nationwide Life Insurance Company. As evidence of your coverage, a policy of insurance (Policy Number 302-109-1108) has been issued to your school which contains the benefits and provisions which apply to the plan of insurance sponsored by your school. Any discrepancy between this brochure and the policy will be governed by the policy. Please keep this brochure for future reference.

B/NSHSAS 2000 ID BSU

Insurance Company:

Nationwide Life Insurance Company

Policy Number:

302-109-1108

For questions about SHIP:

Renaissance Insurance Agency, Inc.

P.O. Box 2300

Santa Monica, CA 90407-2300

1-800-537-1777

For questions regarding waivers or services available at UHS:

Boise State University Student Health Insurance Office

1529 Belmont Street

Boise, ID 83706

1-208-426-2158

Email: ship@boisestate.edu

Student-athletes should direct all questions about intercollegiate sports injuries to:

Boise State University Athletic Insurance Coordinator

1910 University Drive

Boise, ID 83725-1020

1-208-426-5444

Email: heatherliddle@boisestate.edu

For travel assistance services 24/7, contact:

On Call International

From US or Canada: 1-866-525-1957

Collect from anywhere else in the world: 1-603-898-9159

Email: mail@oncallinternational.com

To download additional plan materials or an FAQ, or to enroll Dependents in the plan, please visit:

www.renstudent.com/boisestate

Idaho State UNIVERSITY



2010-2011

Student Health Insurance Plan

SHIP

underwritten by
Nationwide Life Insurance Company

policy number
302-110-1108

TABLE OF CONTENTS

Idaho State University Student Health Center	1-4
Student Health Insurance Plan (SHIP).....	5-21
Eligibility	5
Waiver Procedure	6
Enrollment Procedure	6
Costs of Coverage	7
Premium Refunds	7
Terms of Coverage	7
Extension of Benefits	8
Preferred Provider Organization	9
Schedule of Benefits	10
Breast Cancer Screening.....	14
Breast Reconstruction Following Mastectomy	14
General Exclusions	14
Pre-Existing Condition Limitation	17
Coordination of Benefits.....	18
Definitions	18
Claim Procedure	21
Travel Assistance Program	22-25
HIPAA Notice of Privacy Practices	26
Certification of Qualifying Health Plan Coverage	29
Authorized Representation.....	29
Summary of Privacy Policy.....	29
Important Information	30

INSURANCE ID CARD

A temporary ID Card can be downloaded at www.renstudent.com/isu. A permanent ID card will be mailed to you shortly after the beginning of the Fall Semester. Only one permanent ID card will be mailed to you each school year (not each semester). If you need a replacement card, please contact Renaissance Insurance Agency, Inc. at 1-800-537-1777. **Always carry your insurance ID card with you.**

IDAHO STATE UNIVERSITY STUDENT HEALTH CENTER

Welcome to Idaho State University!

We're thrilled you've chosen to study in Pocatello. Your Student Health Center is a resource for all students and their spouses.

This brochure highlights insurance coverage secured through a Consortium of Idaho Colleges and Universities, underwritten by Nationwide Life Insurance Company. It includes benefits designed to coordinate with the services available at your Student Health Center. Please review the information herein to decide if this health insurance plan is a good fit for your needs.

The ISU Student Health Center employs a friendly, professional medical staff to provide you with high-quality, low-cost care while you are attending ISU. We believe that physical health and quality medical care are essential for students during their academic pursuits. The Student Health Center provides a broad spectrum of medical care for short-term illness like colds or treatment of cuts and broken bones as well as for long-term issues like diabetes and high blood pressure. Laboratory and x-ray services are also available, as well as a comprehensive pharmacy.

I encourage you to use the Student Health Center for your medical needs while attending ISU.

Ronald M. Solbrig, M.D.
Director, ISU Student Health Services

Student Health Center Staff

The mission of the Student Health Center (SHC) is to assist students in achieving scholastic goals by providing affordable, quality health care for physical and psychological needs. The staff is there to provide excellent patient care and health education, as well as referrals for outside providers for services not available at the SHC.

The Student Health Center is administered by Dr. Ronald Solbrig. The staff consists of three (3) physicians, three (3) physician assistants, nurses, x-ray technologists, a pharmacist, and clerical staff. A satellite clinic is also available in Idaho Falls.

ISU students can also be seen at University Health Services at Boise State University. However, payment must be made at the time of service and a claim submitted for reimbursement under SHIP.

How To Access the SHC

All fee-paying ISU students, as well as spouses of full-time students, may obtain treatment at the Student Health Center. A valid student or spouse ID card must be shown at each visit to utilize the SHC. Health care for children is not available.

Full-time students pay an assessment included in registration fees which entitles them to services at the SHC for a minimal fee. Part-time students and spouses of full-time students may use the SHC for a fee. Students who are not enrolled in classes in Summer, but were enrolled in Spring and are pre-registered for Fall semester may use the Student Health Center during the Summer for a minimal fee. In addition, fees are charged for laboratory, x-ray and miscellaneous services. The SHC staff is able to bill private insurance as well as SHIP.

The SHC provides a full range of medical care, from urgent care to preventative health care, offering same-day morning appointments and advance appointments for special procedures. A walk-in clinic is open at 11:00 a.m. each day.

(continued on page 2)

STUDENT HEALTH CENTER (continued from page 1)**After-Hours Care and Emergencies**

Students are encouraged to wait until the SHC is open for evaluation and treatment for non-emergency conditions. However, when the SHC is closed, after-hours care is available through the ISU Family Practice Residency Program. The phone number is 1-208-525-3708. Students will have to pay for any visits outside the SHC at standard rates. When seeking treatment off-campus, students enrolled in the Student Health Insurance Plan (SHIP) are encouraged to use PPO providers.

In the case of an emergency, students should call 911 or seek evaluation and treatment from the nearest urgent care center or hospital emergency room.

NOTE: Emergency care provided at a facility other than the Student Health Center will not be covered at 100%. The student will be responsible for the deductible, and any claim will be paid according to the benefits and limitations of SHIP (or the student's private insurance).

Student Health Center – Main Campus

Location:	990 Cesar Chavez Avenue (across from Graveley Hall)
Mailing Address:	921 South 8th Avenue, Stop 8311, Pocatello, ID 83209
Phone Numbers:	Appointments and Information: 1-208-282-2330 After-hours Physician Exchange: 1-208-525-3708 Fax: 1-208-282-4036
Hours:	Fall and Spring Semester: Monday, Wednesday and Friday..... 8:00 a.m. to 4:30 p.m. Tuesday and Thursday..... 9:00 a.m. to 4:30 p.m. The walk-in clinic opens at 11:00 a.m. each day. Closed on weekends and state holidays. Summer Term: Monday, Wednesday and Friday..... 8:00 a.m. to 3:30 p.m. Tuesday and Thursday..... 9:00 a.m. to 3:30 p.m. Closed on weekends and state holidays.
Website:	www.isu.edu/stuhlth

Student Health Center Pharmacy

Location:	2nd Floor of the Student Health Center
Phone:	1-208-282-3407
Hours:	Monday through Friday..... 12:00 p.m. to 5:00 p.m. (closes at 4:00 p.m. in Summer)

Student Health Center – Idaho Falls Campus

Location:	Bennion Student Union Building, Room 214 1784 Science Center Drive, Idaho Falls, ID 83402
Phone:	Appointments and Information: 1-208-282-7826 Fax: 1-208-282-7850
Hours:	Tuesday through Thursday..... 8:00 a.m. to 1:00 p.m. Open some Mondays and summer hours are limited; please call for schedule. Closed on weekends and state holidays.

(continued on page 3)

STUDENT HEALTH CENTER (continued from page 2)**Treatment Available at the SHC**

The Student Health Center provides a wide range of medical care. This includes everything from treatment of colds and flu to treatment of high blood pressure and diabetes, as well as care for broken bones, lacerations, abscesses, and other urgent care problems. Preventative health services such as immunizations, nutrition counseling, and birth control are also available.

Standard x-rays and diagnostic ultrasound examinations are provided at a reduced cost compared to off-campus facilities. Registered x-ray technologists staff the x-ray department and all films are read by a radiologist.

The SHC laboratory is staffed by registered professionals who are able to do many simple lab tests on site. More sophisticated blood tests can be obtained through the Student Health Center reference lab.

Services provided for women include health maintenance, disease prevention, Pap smears, contraceptive services, and other women's related health issues or concerns.

Men who would like to be evaluated for any health concern or would just like to ask some questions may call and request a "men's clinic" appointment. No other information is requested by the receptionist and a male care provider will be assigned whenever possible. It's easy and confidential.

In order to meet students' diverse medical needs and also to help keep medical expenses to a minimum, many special medical procedures are available at the Student Health Center. Some special procedures offered are EKGs, spirometry testing, colposcopy, cryosurgery, LEEP, minor surgery of lumps and bumps, IV therapy, event monitoring, light therapy, and acupuncture.

Additional SHC Health Resources

- **Obstetrical:** Prenatal care, abortion, delivery, etc. are not provided at the Student Health Center, but information about referrals is available. Assistance in obtaining appropriate care during pregnancy is offered to the student.
- **Mental Health Counseling:** Mental health counseling is available at ISU Counseling and Testing and at the ISU Psychology Clinic. Referrals can be made by ISU Student Health Center providers.
- **Physical Therapy:** Services are available through the ISU physical therapy clinic and are covered under the Student Health Insurance Plan.
- **Nutrition and Healthy Lifestyle Counseling:** Available from a registered nurse at no cost to ISU students and their spouses. Call the SHC for an appointment.
- **Immunizations:** While immunizations are not required of students, all students are urged to obtain needed immunizations or boosters prior to enrollment. Contact the ISU Student Health Center for a list of immunizations that are available.

(continued on page 4)

STUDENT HEALTH CENTER (continued from page 3)**Pharmacy**

Please note that outpatient prescription drugs are NOT covered under SHIP. Students enrolled in SHIP should obtain their prescriptions through the ISU Student Health Center pharmacy whenever possible.

The pharmacy provides low-cost prescription drugs, including some \$4 generic drugs and competitively priced birth control, as well as over-the-counter medication at a reduced cost. Students may wish to transfer prescriptions from their hometown pharmacy to the SHC pharmacy while they are attending school.

A registered pharmacist is on staff at the pharmacy to provide comprehensive service, which includes counseling patients on the proper use of their medication, consulting with patients and providers on appropriate medication choices, and answering medication-related questions (including drug interactions, over-the-counter medications, and medication-related side effects).

To get a price quote on a medication, order a refill, transfer a prescription or for any prescription-related questions, please call **1-208-282-3407**.

Confidentiality

All medical records are confidential and are not released without written authorization or by official court order, except to legally-authorized entities.

SHIP Insurance Program

For the convenience of students enrolled in SHIP, the insurance premium is automatically included on their bill with registration fees. This program is evaluated by the University Student Health Insurance Advisory Committee and is underwritten by Nationwide Life Insurance Company. Insurance benefits are described in this brochure.

Student Health Center Benefits Under SHIP

The following benefits will be paid at 100% of Covered Charges at the ISU Student Health Center and BSU University Health Services:

- X-Rays and laboratory (lab services referred out or sent out by BSU University Health Services will be paid at 80%)
- Emergency care
- Splints, crutches, immobilizers, casts, bandages, sutures
- Supplies needed for minor surgery and procedures, procedure trays, dressings and use of specialized equipment
- Medicines and injections administered during treatment
- Fertility tests
- Pap smear
- STD screening
- One lipid profile per year
- One physical exam per year, up to a \$10 maximum (this does not include routine or preventative immunizations or medicines)
- Diabetic supplies including blood glucose test strips, lancets, insulin syringes, sharps containers and alcohol swabs
- Physical therapy and occupational therapy received at the ISU physical therapy clinic

The Deductible and Pre-Existing Condition Limitation will be waived when treatment is received at the ISU Student Health Center or BSU University Health Services. In addition, the Deductible will be waived for outpatient treatment of Mental Disorders when received by the Pocatello Family Medicine Clinic upon referral from the ISU Student Health Center.

ELIGIBILITY**Students**

The following students are automatically covered under the Student Health Insurance Plan (SHIP), unless proof of other comparable coverage is provided and a waiver is submitted by the Waiver Deadline Date each semester:

- All full-time fee paying domestic undergraduate students enrolled in at least 12 credit hours, as well as full-time fee paying domestic undergraduate students enrolled in 10 or 11 credit hours
- All full-time fee paying domestic graduate students enrolled in at least nine (9) credit hours
- All international students enrolled in at least one (1) credit hour
- All full-time fee paying Applied Tech students enrolled in at least six (6) credit hours

Part-time students (except international students) are not eligible for SHIP.

Covered Students must actively attend classes for at least the first 31 days of the period for which coverage is purchased. Except in the case of medical withdrawal, as verified and approved by the school, any student withdrawing from school during the first 31 days of the period for which coverage is purchased will not be covered under this Policy and a full refund of premium will be made (provided no claims have been filed). Students withdrawing after such 31-day period will remain covered under the Policy for the term purchased and no refund will be allowed. Home study, correspondence, internet and television (TV) courses do not fulfill the eligibility requirements that the student actively attend classes (except those required for fulfillment of a degree program).

Nationwide Life Insurance Company (hereinafter “the Company”) maintains its right to investigate student (and Dependent) status and attendance records to verify that the policy eligibility requirements have been met. If and whenever the Company discovers that the policy eligibility requirements have not been met, its only obligation is refund of premium less any claims paid.

Dependents

Covered Students may also insure their eligible Dependents who are the Covered Student's: 1) legally married spouse who is not legally separated from and resides with the Covered Student; or 2) unmarried child under the age of 25 who receives more than one-half of his or her financial support from the Covered Student.

If a child is born to a Covered Student, that child will be covered under the plan for the first 60 days after: 1) the birth date of the newly born child; 2) the effective date of adoption of the child by the student; or 3) the date of placement of the child for adoption with the student. Coverage for such child will be for Sickness and Injury, including medically diagnosed congenital defects, birth abnormalities, prematurity and nursery care. Should the student's coverage terminate before the end of the 60-day period, newborn coverage will not extend beyond the student's termination date.

The Covered Student will have the right to continue coverage for the child beyond 60 days. To continue the coverage, the Covered Student must: 1) notify Renaissance Insurance Agency, Inc. by the 60th day; and 2) pay the monthly pro-rated cost of coverage for the remainder of the current term, if required. Once Renaissance has been notified, the Covered Student will have 31 days (in addition to the initial 60 days) to submit payment of any additional premium. If the Covered Student does not use this right as stated here, all coverage as to that child will terminate at the end of the 60-day period.

Any Dependent on active duty in any military, naval, or air force of any country is not eligible for coverage under the policy.

WAIVER PROCEDURE

Students who wish to waive coverage under the plan must submit satisfactory proof of comparable and verifiable continuing health insurance coverage by the Waiver Deadline Date **each semester**. In order to qualify for a waiver, the student must be continuously covered under a health insurance plan for the entire school year, which includes, at a minimum, the following:

- Maximum Benefit of at least \$100,000 per accident or illness;
- Deductible not to exceed \$5,000 (a maximum \$1,000 Deductible is strongly recommended);
- Coinsurance amount not to exceed 25% of in-network PPO charges (insurance pays at least 75%) and 50% of out-of-network PPO charges;
- For international students, the plan must have at least \$10,000 of repatriation coverage and \$15,000 of medical evacuation coverage; and
- Plans must be owned, operated and based in the United States and must be in full compliance with applicable federal laws. International students may not waive with insurance from their home country.

Students who are covered under a plan that does not meet all of these requirements will not be allowed to waive coverage under this plan and the premium will be added to their school bill.

Students who are eligible to waive coverage under this plan must go to www.renstudent.com/isu to submit a waiver request. The waiver must be completed by the Waiver Deadline Date each semester. Please see the Waiver FAQ for more details, which is available at www.renstudent.com/isu.

Deadline to Waive Coverage in SHIP

Fall: September 7, 2010

Spring/Summer: January 24, 2011

ENROLLMENT PROCEDURE

Students

All eligible students who have not waived coverage by the Waiver Deadline Date each semester will be automatically enrolled in the plan. The cost for SHIP is included in the tuition fee bill each semester.

To avoid a lapse in coverage between school years, Applied Tech students who enroll in Session IV but are not attending Session V may voluntarily purchase coverage for Session V by submitting session premium to the Student Insurance Office.

If an eligible student has waived out of the plan and later experiences an Involuntary Loss of Coverage, he or she may enroll in SHIP for the remainder of the current term by submitting proof of loss of coverage and proper payment *within 31 days of termination of prior coverage*. To enroll in SHIP after an Involuntary Loss of Coverage, contact the Student Insurance Office on campus. Please note premium payments cannot be prorated. Students must pay the entire premium for the term in which they are electing to enroll.

Dependents

Students may enroll eligible Dependents in the plan online with a MasterCard or Visa at www.renstudent.com/isu by the Dependent Enrollment Deadline Date.

Students who wish to pay by check or money order may download a Dependent enrollment form from www.renstudent.com/isu and submit the completed form, along with the proper payment, to Renaissance Insurance Agency, Inc. (must be postmarked by the Dependent Enrollment Deadline Date).

If a student wishes to enroll a new Dependent, and it is past the Dependent Enrollment Deadline Date, the student must contact Renaissance Insurance Agency, Inc. at 1-800-537-1777. Newly acquired Dependents (spouse and/or children) are not

(continued on page 7)

ENROLLMENT (continued from page 6)

subject to the Dependent Enrollment Deadline Dates. However, enrollment and payment (if required) for all newly acquired Dependents must be received within 60 days of marriage or within 91 days of birth or placement of a Dependent child as defined herein. **Otherwise, enrollment and payment cannot be accepted after the Dependent Enrollment Deadline Dates listed.**

COSTS OF COVERAGE

	Fall	Spring/ Summer	Summer
Student	\$ 635.00	\$ 635.00	\$ 318.00
Spouse	\$ 831.50	\$ 831.50	\$ 416.00
Child(ren)	\$ 713.50	\$ 713.50	\$ 357.00
Applied Tech			
	Session I-IV	Session V	
Student	\$ 238.00	\$ 318.00	
Spouse	\$ 311.75	\$ 416.00	
Child(ren)	\$ 267.50	\$ 357.00	

Student costs are pending State Board approval of the 2010-2011 fee structure later this spring.

The Spouse and Child(ren) costs are *in addition to* the Student cost.

The costs of coverage include insurance premium and administrative fees.

PREMIUM REFUNDS

Except in the case of a medical withdrawal, if a student withdraws from school during the first 31 days of coverage under the plan a full refund of premium for the applicable term will be made upon request and the coverage will be as if it had never been in effect. In addition, if a student enters full-time active military service or, in the case of an international student, permanently returns to the home country or country of regular domicile, a pro rata refund will be issued only upon written request from the school. Otherwise, premium refunds are not allowed. **In the event a claim has been filed, premium is fully earned and a refund is not available under any circumstances.**

TERMS OF COVERAGE

Effective Date

Coverage for students enrolled in SHIP will become effective at 12:01 a.m. on the effective date of the term for which premium has been paid. Coverage for students who are new intercollegiate athletes will become effective at 12:01 a.m. on 8/1/10.

For students who previously waived coverage under SHIP and elect to enroll later due to an Involuntary Loss of Coverage, coverage will be effective at 12:01 a.m. on the day **after** the date that enrollment and payment are received by the Student Insurance Office, provided it is within 31 days of the termination of prior coverage.

Coverage for eligible Dependents becomes effective at 12:01 a.m. on the latest of: 1) the first date of the applicable term in which the Dependent is enrolling; 2) the day **after** the date that online enrollment is completed; or 3) the day **after** the date that full payment and completed application received by mail are postmarked.

(continued on page 8)

TERMS OF COVERAGE (continued from page 7)**Termination Date**

Coverage terminates at 12:01 a.m. on the earliest of the following dates:

1. The date the Policy is terminated by the Policyholder or the Company;
2. The last day of the Term of Coverage for which premium is paid;
3. The date an Insured Person enters full-time active military service or, for international students, the date the Insured Person permanently returns to the home country;
4. The last day of the period through which premium has been paid, following the date a Dependent ceases to be a Dependent as described herein.

Dependent coverage will not be effective prior to that of the student or extend beyond that of the student, except as specifically provided under the Extension of Benefits provision.

Term	Effective Date	Termination Date	Dependent Enrollment Deadline
<i>Students and Dependents</i>			
Fall	08/14/10	01/01/11	09/14/10
Spring/Summer	01/01/11	08/15/11	02/01/11
Summer	05/16/11	08/15/11	06/16/11
<i>Applied Tech Students and Dependents</i>			
Session I	08/14/10	10/18/10	09/14/10
Session II	10/18/10	01/01/11	11/18/10
Session III	01/01/11	03/07/11	02/01/11
Session IV	03/07/11	05/17/11	04/07/11
Session V	05/17/11	08/15/11	06/17/11

We do not send termination or renewal notices. It is the Insured Person's responsibility to renew coverage in a timely manner, subject to continuing eligibility. Eligibility requirements must be met each time premium is paid to continue coverage.

EXTENSION OF BENEFITS

The coverage provided under this Policy ceases on the Insured Person's termination date. However, if an Insured Person is totally disabled on the termination date from a covered Injury or Sickness for which benefits were paid, Covered Charges for such Injury or Sickness will continue to be paid until the date the disability ends, or for a period of 12 months, whichever is earlier.

The total payments made in respect of the Insured Person for such condition both before and after the termination date will never exceed the Lifetime Aggregate Maximum Benefit. After this Extension of Benefits provision has been exhausted, all benefits cease to exist and under no circumstances will further benefits be made. This provision is applicable only to the extent the Insured Person is not enrolled in the ensuing term of coverage in this plan or other similar health insurance coverage.

Dependents that are newly acquired during the Covered Student's Extension of Benefits period are not eligible for benefits under the provision.

Totally disabled means, with respect to the Covered Student, the inability to attend classes at the location where he or she is enrolled. With respect to a Dependent, or the Covered Student if such classes are not in session, totally disabled means the inability to perform those activities that are normal for a person in good health of the same age and sex.

PREFERRED PROVIDER ORGANIZATION

Please be aware that the Preferred Provider Organization (PPO) in Idaho has changed for the 2010-2011 policy year. Before seeking treatment, make sure that your doctor is a member of the new network or you may have to pay a higher coinsurance.

This plan has incorporated into the coverage access to a Preferred Provider Organization (PPO) of Doctors, Hospitals and other facilities who have contracted to provide specific medical care at a discounted, negotiated rate. The Preferred Provider Organizations for this plan are the Idaho Physicians Network (IPN), which is available for local and statewide medical care, and First Health Network (FHN) which is available for medical care nationwide when seeking treatment outside of Idaho.

In-Network Providers (PPO)

Network access provides benefits nationwide for Covered Charges incurred at 80% of the Preferred Allowance for a covered Injury or Sickness when treated by network providers. When utilizing a PPO provider or facility there will be a 20% out-of-pocket Coinsurance expense for which the Insured Person is responsible.

When the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges incurred for treatment by a PPO Provider exceeds \$4,000 for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges incurred for treatment by a PPO Provider for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

For a complete listing of the PPO Hospital and Doctor facilities **within Idaho**, call the Idaho Physicians Network (IPN) at **1-866-476-1076** or visit **www.ipnmd.com**. For PPO Hospital and Doctor facilities **outside of Idaho**, call the First Health Network at **1-800-226-5116** or visit **www.myfirsthealth.com**.

If an Insured Person is being treated by a Preferred Provider for an acute, serious chronic condition, pregnancy, newborn, or a terminal illness, and the Provider's contract terminates with the PPO, the Insured Person may be eligible under certain conditions to continue treatment with the Provider at the PPO rate. Contact the claims administrator for details.

Please be aware that if an Insured Person is treated at a PPO Hospital, it does not mean that all providers at that Hospital are PPO providers. In addition, if an Insured Person is referred by a PPO provider to another provider or facility, it does not mean that the provider or facility to which the Insured Person is referred is also a PPO provider. For instance, if a network Doctor gives a referral to a non-network lab for tests or a non-network anesthesiologist is used for a surgery in a network Hospital, the Insured Person will have to pay the higher Coinsurance for the non-network providers. It is the Insured's responsibility to verify that a provider is currently a member of the PPO Network. This information can be found on the network websites listed above.

Out-of-Network Providers (non-PPO)

If a non-PPO provider or facility is utilized, coverage is available worldwide at 60% of Reasonable and Customary Expenses (R&C). If a non-PPO provider or facility is utilized, there is a 40% Coinsurance factor for which the Insured Person is responsible. Covered Charges for Emergency treatment by a non-PPO provider or facility will be paid at 80% of R&C.

When the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges incurred for treatment by a non-PPO Provider exceeds \$6,000 for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges incurred for treatment by a non-PPO Provider for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

SCHEDULE OF BENEFITS

The Company will pay for the Covered Charges listed below, up to the following limits.

Please note that in the Schedule of Benefits, the term "SHC" refers to either the ISU Student Health Center or BSU University Health Services, except as specified.

DEDUCTIBLE

The Insured Person is responsible for paying the Deductible amount listed before the Company will begin paying benefits.

In-Network Providers: \$250 per Policy Year

Out-of-Network Providers: \$500 per Policy Year

The Deductible is waived at the ISU Student Health Center and BSU University Health Services.

COINSURANCE MAXIMUM LIMIT

Once the Deductible has been met, the Policy pays 80% of Covered Charges when utilizing in-network providers and 60% of Covered Charges when utilizing out-of-network providers, except as specified below. If the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges exceeds the Coinsurance Maximum Limit for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

In-Network Providers: \$4,000 per Policy Year

Out-of-Network Providers: \$6,000 per Policy Year

LIFETIME AGGREGATE MAXIMUM

After satisfaction of the Deductible, the Company will pay for Medically Necessary Covered Charges incurred as the result of a Sickness or Injury, according to the applicable limits stated below, up to the Lifetime Aggregate Maximum of \$250,000 for all conditions combined.

COVERED CHARGES are limited to the following:

INPATIENT	
HOSPITAL CONFINEMENT ROOM AND BOARD daily average semi-private room rate and general nursing care provided by a Hospital	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
INTENSIVE CARE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
HOSPITAL CONFINEMENT MISCELLANEOUS such as the cost of the operating room, laboratory tests, x-ray examinations including professional fees, anesthesia, drugs (excluding take-home drugs) or medicines, therapeutic services and supplies; dressings; oxygen tent	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C

(continued on page 11)

SCHEDULE OF BENEFITS (continued from page 10)

INPATIENT (continued)	
MATERNITY AND NEWBORN CARE during Hospital Confinement, including routine nursery care provided immediately after birth	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: paid as any other Sickness, up to 48 hours after birth (96 hours for cesarean delivery)
SURGICAL EXPENSE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: if multiple procedures are performed through the same incision or in immediate succession at the same operative session, the maximum amount paid will not exceed 50% of the second procedure and 50% of all subsequent procedures
ASSISTANT SURGEON	PPO: 20% of Surgical Expense NON-PPO: 20% of Surgical Expense
ANESTHETIST professional services in connection with inpatient surgery	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
REGISTERED NURSE EXPENSE private duty nursing care while Hospital Confined, including a licensed practical nurse (LPN)	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
PRE-ADMISSION TESTING if testing occurs within 7 working days prior to admission	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
PHYSICAL THERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DOCTOR VISITS does not apply when related to surgery	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day
TREATMENT OF MENTAL DISORDERS AND/OR ALCOHOL AND SUBSTANCE ABUSE for inpatient or intermediate care	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of \$7,000 per Policy Year
OUTPATIENT	
EMERGENCY ROOM EXPENSE for use of Hospital emergency room, operating room, laboratory and x-ray examinations, and supplies	SHC: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C (80% in the case of an Emergency) COPAY: \$200 per visit (waived at SHC or if admitted to Hospital)
URGENT CARE CENTER	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C

(continued on page 12)

SCHEDULE OF BENEFITS (continued from page 11)

OUTPATIENT (continued)	
DAY SURGERY MISCELLANEOUS scheduled surgery performed in a Hospital or outpatient facility, including use of operating room, laboratory tests and x-ray examinations including professional fees, anesthesia, drugs or medicines (excluding take-home) and supplies	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
SURGICAL EXPENSE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: If multiple procedures are performed through the same incision or in immediate succession at the same operative session, the maximum amount paid will not exceed 50% of the second procedure and 50% of all subsequent procedures
ASSISTANT SURGEON	PPO: 20% of Surgical Expense NON-PPO: 20% of Surgical Expense
ANESTHETIST professional services in connection with outpatient surgery	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DOCTOR VISITS does not apply when related to surgery or physical therapy	SHC: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day
ANNUAL PHYSICAL EXAM does not include routine or preventive immunizations or medicines	SHC: 100% of Covered Charges PPO: not covered NON-PPO: not covered LIMIT: limited to one exam per policy year, up to a maximum of \$10 per exam
LABORATORY TESTS BSU UHS sends certain lab tests off-site for processing. These fees are payable at the PPO level and are subject to the Deductible.	SHC: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DIAGNOSTIC SERVICES includes x-rays, CAT scans, PET scans, MRI and nuclear medicine	SHC: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
TESTS AND PROCEDURES includes diagnostic services and medical procedures performed by a Doctor (that aren't covered under Doctor Visits, Physical Therapy, Laboratory Tests or Diagnostic Services)	SHC: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C

(continued on page 13)

SCHEDULE OF BENEFITS (continued from page 12)

OUTPATIENT (continued)	
INJECTIONS when administered in a Doctor's office and charged on the Doctor's statement	SHC: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
PHYSICAL THERAPY includes chiropractic treatment and occupational therapy	SHC: 100% of Covered Charges at ISU Physical Therapy Clinic PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of \$50 per visit; up to maximum of \$750 per Policy Year
TREATMENT OF MENTAL DISORDERS AND/OR ALCOHOL AND SUBSTANCE ABUSE the Deductible is waived for treatment received at the Pocatello Family Medicine Clinic when referred by the SHC	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of 12 visits per Policy Year
RADIATION THERAPY AND CHEMOTHERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
OTHER	
AMBULANCE SERVICES for ground and air	PPO: 80% of Preferred Allowance NON-PPO: 80% of R&C LIMIT: for Emergency only
CONSULTANT SERVICES when requested and approved by the attending Doctor	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DURABLE MEDICAL EQUIPMENT OR BRACES AND APPLIANCES a written prescription must accompany the claim when submitted	SHC: 100% of Covered Charges PPO: 80% of Preferred Allowance NON-PPO: 80% of R&C LIMIT: replacement braces and appliances are not covered
DENTAL TREATMENT for Injury to sound, natural teeth or extraction of abscessed teeth or impacted wisdom teeth only	PPO: 80% of Preferred Allowance NON-PPO: 80% of R&C
PREGNANCY including complications of pregnancy	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: paid as any other Sickness

BREAST CANCER SCREENING

Coverage is provided for mammography examinations at the following intervals: 1) one baseline mammogram for any woman who is 35 through 39 years of age; 2) a mammogram every two years for any woman who is 40 through 49 years of age, or more frequently if recommended by the woman's Doctor; 3) a mammogram every year for any woman who is 50 years of age or older; and 4) a mammogram for any woman desiring a mammogram for medical cause.

BREAST RECONSTRUCTION FOLLOWING MASTECTOMY

Coverage is provided for breast reconstruction following mastectomy, including reconstruction of the breast on which the mastectomy has been performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, prostheses (e.g. breast implant) and treatment for physical complications of the mastectomy, including lymphedema.

GENERAL EXCLUSIONS

No benefits will be paid for loss or expense caused by, contributed to, or resulting from, or treatment, services, or supplies for, at, or related to:

1. Eyeglasses, contact lenses including but not limited to routine eye refractions, eye exams, radial keratotomy or similar surgical procedures to correct vision, except in the case of Injury;
2. Hearing screenings or hearing examinations or hearing aids and the fitting or repairing of hearing aids, except in the case of Injury;
3. Vaccinations, inoculations and preventive shots: a) required for travel; b) required for employment; c) provided as wellness or prevention; except as specifically provided herein;
4. Care of corns, calluses, toenails or bunions;
5. Cosmetic surgery, plastic surgery, resulting complications, consequences and after effects or other services and supplies that the Company determines to be furnished primarily to improve appearance rather than a physical function or control of organic disease, except as provided herein or for treatment of an Injury that is covered under the Policy. Improvements of physical function does not include improvement of self-esteem, personal concept of body image, or relief of social, emotional, or psychological distress. Procedures not covered include, but are not limited to: face lifts, rhinoplasty, sagging eyelids, prominent ears, skin scars, baldness, and correction of breast size, asymmetry or shape by means of reduction, augmentation, or breast implants (except for correction of deformity resulting from mastectomy or lymph node dissection). This exclusion does not include reconstructive surgery when the service is incidental to or follows surgery resulting from trauma, infection or other diseases of the involved part, and reconstructive surgery because of congenital disease or anomaly of a covered Dependent child;
6. Sexual reassignment surgery;
7. Treatment, service, or supply which is not Medically Necessary for the diagnosis, care or treatment of the Sickness or Injury involved;
8. Treatments which are considered to be unsafe, Experimental, or Investigational by the American Medical Association (AMA) and resulting complications;

(continued on page 15)

GENERAL EXCLUSIONS (continued from page 14)

9. Treatment on or to the teeth or gums, except as provided herein;
10. TMJ;
11. Injury sustained while: a) participating in any intercollegiate or professional sport, contest, or competition; b) traveling to or from such sport, contest, or competition as a participant; or c) while participating in any practice or conditioning program for such sport, contest, or competition;
12. Injury resulting from parachuting, hang gliding, skydiving, parasailing, bungee jumping, glider flying or sail planing;
13. Injury occurring in consequence of riding or otherwise being in any vehicle or device of aerial navigation, except as a fare-paying passenger on a regularly scheduled flight of a commercial airline;
14. Reproductive/infertility services including but not limited to: fertility tests, infertility (male or female) including any services or supplies rendered for the purpose or with the intent of inducing conception, except as provided at the SHC. Examples of fertilization procedures are ovulation induction procedures, in vitro fertilization, embryo transfer or similar procedures that augment or enhance reproductive ability; artificial insemination; premarital examination; impotence, organic or otherwise;
15. Sterilization or sterilization reversal; vasectomy; prescription and non-prescription birth control, except as specifically provided herein;
16. Routine newborn infant care, well baby nursery and related Doctor charges including circumcision and congenital conditions, except as specifically provided for in this Policy for newborn or adopted infants;
17. Elective termination of pregnancy including the morning after pill, except to preserve the life of the female upon whom the abortion is performed;
18. Hospital Confinement or any other services or treatment for which the Insured Person is not legally obligated to pay or for which no charge is made;
19. Services provided normally without charge by the health service of the University, or services covered or provided by a student health fee;
20. Treatment in a government Hospital, unless there is a legal obligation for the Insured Person to pay for such treatment;
21. Any services of a Doctor, nurse, or health care practitioner who lives with the Insured Person or who is related to the Insured Person by blood or marriage;
22. Services received after the Insured's coverage ends, except as specifically provided under the Extension of Benefits Provision;
23. Testing and treatment of learning disabilities;
24. Injury caused by, contributed to or resulting from the Insured Person's use of alcohol, illegal drugs or use of legal medicines that are not taken in the dosage or for the purposed as prescribed by the Insured Person's Doctor;
25. Services for the treatment of any Injury or Sickness incurred while committing a felony or while taking part in an insurrection or riot;
26. Any and all over the counter smoking cessation and treatment of nicotine addiction products;
27. Services and associated expenses for the treatment of obesity and any resulting complications, consequences and after effects of treatment that involves surgery and any other associated expenses, including, but not limited to: a) gastric or intestinal bypasses; b) gastric balloons; c) stomach stapling; d) wiring of the jaw; e) panniculectomy; f) appetite suppressants; g) surgery for removal of excess skin or fat;

(continued on page 16)

GENERAL EXCLUSIONS (continued from page 15)

28. Injury or Sickness for which benefits are paid or payable under any workers' compensation or occupation disease law or act, or similar legislation;
29. War or any act of war, declared or undeclared; or while in the armed forces of any country;
30. Solid organs, including but not limited to: autologous and allogenic bone marrow transplants, autologous and allogenic stem cell transplants, including non-human organs or bone marrow; anything caused by, contributed to, or resulting from an organ transplant, including complications thereof;
31. Acupuncture or acupressure; aroma therapy; hypnotism; rolfing; biofeedback;
32. Voluntary, elective or prophylactic treatment (medical, surgical or pharmacological) for a condition that is not presently exhibiting symptoms, or is in absence of a disease state or condition that is presently creating pathological changes to any body structure or function;
33. Nasal and sinus surgery, except surgery made necessary as the result of a covered Injury or acute purulent sinusitis;
34. Preventive testing or treatment or screening exams or testing in the absence of Injury or Sickness, except as provided herein;
35. Lipectomy services and supplies related to surgical or suction-assisted lipectomy;
36. Patient controlled analgesia (PCA);
37. Services, supplies or treatment for: allergy testing or treatment; acne (including Accutane); alopecia and hirsutism;
38. Weight management services and supplies;
39. Expenses incurred for any experimental drug or drug combination that the Federal Food and Drug Administration (FDA) has not approved for any indication, or for any drug that the FDA has determined to be contraindicated for a particular condition;
40. Outpatient prescription drugs; and
41. Congenital birth anomalies, except as mandated for newborn children.

PRE-EXISTING CONDITION LIMITATION

The Pre-Existing Condition Limitation is waived for treatment received at the ISU Student Health Center or BSU University Health Services.

Otherwise, Pre-Existing Conditions are not covered for the first 12 months following the Insured's Effective Date of coverage under the Policy.

This limitation will not apply if, during the period immediately preceding the Insured's Effective Date of coverage under this Policy, the Insured Person was covered under prior Creditable Coverage for 12 consecutive months. Prior Creditable Coverage of less than 12 months will be credited toward satisfying the Pre-Existing Condition limitation. This waiver will apply only if the Insured Person becomes eligible and applies for coverage within 63 days of termination of his or her prior coverage.

Pregnancy, including complications of pregnancy, shall not be considered a Pre-Existing Condition under the Policy. In addition, this limitation will not apply to a newborn Dependent child or a child adopted by the Covered Student or placed with the Covered Student for adoption, if the adoption or placement for adoption occurs while the Covered Student is covered under the Policy.

Creditable Coverage includes:

- Any individual or group Policy, contract or program, that is written or administered by a disability insurance Company, health care service plan, fraternal Benefits society, self-Insured employer plan, or any other entity, and that arranges or provides medical, Hospital, and surgical Coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion Coverage but does not include accident only, credit, Coverage for onsite medical clinics, disability income, Medicare supplement, long-term care insurance, dental, vision, Coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which Benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance Policy or equivalent self-insurance.
- The Federal Medicare programs pursuant to Title XVIII of the Social Security Act.
- The Medicaid program pursuant to Title XIX of the Social Security Act.
- Any other publicly sponsored program, provided in this state or elsewhere, of medical, Hospital and surgical care.
- 10 U.S.C.A. Chapter 55 (commencing with Section 1071) (Civilian Health and Medical Program of the Uniformed services (CHAMPUS)).
- A medical care program of the Indian Health Service or of a tribal organization.
- A state health Benefits risk pool.
- A health plan offered under 5 U.S.C.A. Chapter 89 (commencing with Section 8901) (Federal Employees Health Benefits Program (FEHBP)).
- A public health plan as defined in federal regulations authorized by Section 2701(c) (1)(I) of the Public Health Service Act, as amended by Public Law 104-191, the Health Insurance Portability and Accountability Act of 1996.
- A health Benefit plan under Section 5(e) of the Peace Corps Act (22 U.S.C.A. Sec. 2504(e)).
- Any other Creditable Coverage as defined by subsection (c) of Section 2701 of Title XXVII of the federal Public Health Services Act (42 U.S.C. Sec. 300gg(c)).

COORDINATION OF BENEFITS

If an Insured Person is covered under one or more other plans, the benefits payable under this Policy will be coordinated with the benefits payable under the other plan(s). Coordination of Benefits means the order in which claims are paid. Coordination permits secondary plans to reduce their benefits so that the combined benefits of all plans do not exceed 100% of the total allowable expenses. For further explanation of Coordination of Benefits, please see the policy on file at the University or contact the claims administrator.

DEFINITIONS

The terms shown below shall have the meaning given in this section whenever they appear in the brochure.

Accident means an event that is sudden, unexpected, and unintended, and over which the Insured Person has no control.

Coinsurance means the percentage of the expense for which the Insured Person is responsible for a covered service.

Coinsurance Maximum Limit means the maximum amount of money an Insured Person pays for Coinsurance amounts in a Policy Year. This amount is shown in the Schedule of Benefits. There are separate Coinsurance Maximum Limit amounts for in-network and out-of-network benefit levels.

Copayment (Copay) means a specified dollar amount an Insured Person must pay for specified charges. The Copayment is separate from and not a part of the Deductible or Coinsurance or Coinsurance Maximum Limit.

Covered Charge means those charges for any treatment, services or supplies: 1) for network providers not in excess of the Preferred Allowance; 2) for non-network providers not in excess of the Reasonable and Customary Expense therefore; and 3) not in excess of the charges that would have been made in the absence of this insurance; and 4) incurred while this Policy is in force as to the Insured Person, except with respect to any covered expense payable under the Extension of Benefits Provision.

Covered Student means an eligible student of the University who is insured under the Policy.

Deductible means the amount of expenses for covered services and supplies which must be incurred by the Insured Person before specified benefits become payable.

Dependent means a person who is the Covered Student's:

1. Legally married spouse, who is not legally separated from the Covered Student and resides with the Covered Student; or
2. Unmarried child under the age of 25 who receives more than one-half of his or her financial support from the Covered Student.

The term child refers to the Covered Student's unmarried:

1. Natural child;
2. Stepchild or foster child. A stepchild is a Dependent on the date the Covered Student marries the child's parent. A foster child is a Dependent from the moment of placement with the Covered Student as certified by the agency making the placement; or
3. Adopted child, including a child placed for adoption with the Covered Student, from the moment of placement as certified by the agency making the placement. Placed for adoption or placement means the assumption and retention by a Covered Student of a legal obligation for total or partial support of a child in anticipation of the adoption of the child. The child's placement with a Covered Student terminates upon the termination of that legal obligation.

(continued on page 19)

DEFINITIONS (continued from page 18)

Doctor means: 1) a legally qualified physician licensed by the state in which he or she practices; 2) a practitioner of the healing arts performing services within the scope of his or her license as specified by the laws of the state of residence of such practitioner; or 3) a certified nurse midwife while acting within the scope of that certification. The term does not include a person who ordinarily resides in the Insured Person's home or is related to the Insured Person by blood or marriage.

Emergency means Sickness or Injury for which immediate medical treatment is sought at the nearest available facility. The condition must be one which manifests itself by acute symptoms which are sufficiently severe (including severe pain) that a prudent layperson with average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in any of the following:

1. Placing the health of the individual or, with respect to a pregnant woman, the health of the woman or her unborn child in serious jeopardy; or
2. Serious impairment to bodily functions; or
3. Serious dysfunction of any bodily organ or part.

Experimental/Investigational means the service or supply has not been demonstrated in scientifically valid clinical trials and research studies to be safe and effective for a particular indication.

Hospital means a facility which provides diagnosis, treatment, and care of persons who need acute inpatient hospital care under the supervision of Doctors. It must be licensed as a general acute care hospital according to state and local laws. Hospital shall also include a psychiatric health facility for the treatment of mental or psychoneurotic disorders. Facilities primarily treating drug addiction or alcoholism that are licensed to provide these services are also included in this definition.

Hospital does not include an institution, or part thereof, which is other than incidentally a nursing home, a convalescent hospital, or a place for rest or the aged.

Hospital Confinement means confinement in a Hospital for at least 18 hours for which a room and board charge is made by reason of Sickness or Injury for which benefits are payable. The readmission for the same or related Sickness or Injury, within a 72 hour period, will be considered a continuation of confinement.

Injury means bodily Injury due to a sudden, unforeseeable, external event which results solely, directly and independently of disease, bodily infirmity or any other causes. All injuries sustained in any one Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury.

Insured Person means an eligible student or eligible Dependent who has been accepted for coverage and who has paid the required premium.

Involuntary Loss of Coverage means that prior coverage has been involuntarily terminated due to no fault of the Insured, which includes coverage that terminates due to a loss of employment by the student or the student's spouse or parent. This definition does not include coverage that has a predetermined termination date, or expiration of COBRA eligibility, and does not apply to coverage that has been voluntarily terminated.

Lifetime Aggregate Maximum means the amount payable by the Company for incurred Covered Charges for all Injuries or Sicknesses paid under this Policy or under any other Policy issued to the University by this Company.

(continued on page 20)

DEFINITIONS (continued from page 19)

Medically Necessary means a treatment, drug, device, procedure, supply or service that is necessary and appropriate for the diagnosis or treatment of a Sickness or Injury in accordance with generally accepted standards of medical practice in the United States at the time it is provided.

A treatment, drug, device, procedure, supply or service shall not be considered Medically Necessary if it:

1. Is Experimental/Investigational or for research purposes;
2. Is provided solely for educational purposes or the convenience of the patient, the patient's family, Doctor, Hospital or any other provider;
3. Exceeds in scope, duration or intensity the level of care that is needed to provide safe, adequate and appropriate diagnosis or treatment and where ongoing treatment is merely for maintenance or preventive care;
4. Could have been omitted without adversely affecting the patient's condition or the quality of medical care;
5. Involves treatment with or the use of a medical device, drug or substance not formally approved by the U.S. Food and Drug Administration (FDA). If the prescribed drug is recognized as safe and effective for the treatment of a Sickness or Injury by one or more of the Standard Medical Reference Compendia or in the Medical Literature, even if the prescribed drug has not been approved by the FDA for the treatment of that specific Sickness or Injury, coverage will be provided, subject to the exclusions and limitations of the Policy;
6. Involves a service, supply or drug not considered reasonable and necessary by the Healthcare Financing Administration Medicare Coverage Issues Manual; or
7. Can be safely provided to the patient on a more cost-effective basis such as outpatient, by a different medical professional, or pursuant to a more conservative form of treatment.

Mental Disorder means nervous, emotional, and mental disease, illness, syndrome or dysfunction classified in the most recent addition of the Diagnostic and Statistical Manual of Mental Disorders (DSM IV) or its successor as a mental disorder on the date medical care or treatment is rendered to an Insured Person.

Pre-Existing Condition means Sickness or Injury for which medical care, treatment, diagnosis or advice was received or recommended within the six (6) consecutive months prior to the Insured's Effective Date of coverage under the Policy.

Preferred Allowance means the amount a network provider has agreed to accept as payment in full for Covered Charges.

Reasonable and Customary Expense (R&C) means the most common charge for similar professional services, drugs, procedures, devices, supplies or treatment within the area in which the charge is incurred, so long as those charges are reasonable. The most common charge means the lesser of:

1. The actual amount charged by the provider;
2. The negotiated rate, if any; or
3. The charge which would have been made by a provider of medical services for a comparable service or supply in the same geographic area, as reasonably determined by the Company.

Geographic area means the first three digits of the zip code in which the service, treatment, procedure, drugs or supplies are provided or a greater area, if necessary, to obtain a representative cross-section of charge for a like treatment, service, procedure, device, drug or supply.

DEFINITIONS (continued from page 20)

Reasonable charges, fees or expenses as used herein to describe expense, will be considered to mean the percentile of the payment system in effect on the Effective Date of the Policy.

Sickness means illness, disease, pregnancy and complications of pregnancy. All related conditions and recurrent symptoms of the same or a similar condition will be considered the same sickness.

CLAIM PROCEDURE

Please note that if you receive treatment at University Health Services at BSU, payment must be made at the time of service and a claim submitted for reimbursement under SHIP, as described below.

Otherwise, in the event of an Injury or Sickness, the SHC and most network (PPO) providers will submit the claim directly to AmeriBen for you. However, if the provider does not file the claim for you, you will be responsible for submitting the claim for reimbursement. In this case, follow these instructions:

1. After you receive treatment, complete the insurance company claim form.
 - a) You may download a claim form from **www.myameriben.com**.
 - b) Answer all the questions and be sure to sign the claim form before submitting it.
2. If you have any other expenses such as medicines, x-rays or laboratory charges, be sure to attach these bills to the claim form.
3. Send your claim form and all other bills or receipts to AmeriBen at the address below. Try to have all itemized bills attached to the same claim form.
 - a) Please do not send bills without completed claim form. Bills cannot be considered unless all the information required on the claim form is submitted.
 - b) A properly completed claim form must be submitted for each Injury or Sickness.
4. Claim forms and bills should be sent to:

**AmeriBen
P.O. Box 6947
Boise, ID 83707-0947**

**Providers may submit claims electronically:
PAYER ID 75137**

5. If you have questions about the status of your claim after it has been submitted, please call AmeriBen at **1-877-955-1559** (Monday–Friday, 7:00 a.m. to 6:00 p.m.). You may also log on to **www.myameriben.com** to check on your claim status, view your Explanation of Benefits (EOB), access answers to frequently asked questions or submit inquiries by email directly to the AmeriBen Customer Care Center.

A claim must be submitted within 90 days after an Injury or Sickness has occurred in order for the claim to be paid.

You have the right to request an independent medical review if health care services have been improperly denied, modified, or delayed based on medical necessity.

Always keep a copy of all documents submitted for claims.

TRAVEL ASSISTANCE PROGRAM

The following is a detailed description of covered services included under the Travel Assistance Program provided to students and Dependents who are enrolled in the Student Health Insurance Plan (SHIP). The Travel Assistance Program is provided through Nationwide Life Insurance Company, in association with OnCall International.

All services must be provided by the Travel Assistance Program. Any expenses associated with these services are the insured student's responsibility except as provided herein. No claims for reimbursement will be accepted.

Coverage begins only when a covered participant is 100 miles or more from his or her primary residence or when in a foreign country, except as specified herein.

WORLDWIDE 24-HOUR EMERGENCY TRAVEL ASSISTANCE

If you are traveling and have an emergency, please contact the call center, OnCall International, available 24 hours a day, seven days a week:

Call from the United States or Canada:1-866-525-1957

Call collect from anywhere else in the world:1-603-898-9159

Email: mail@oncallinternational.com

EMERGENCY TRANSPORTATION SERVICES

Emergency Evacuation: If you suffer an Injury or Sickness and adequate medical facilities are not available locally in the opinion of the Travel Assistance Program's Medical Director, the Travel Assistance Program will provide emergency evacuation (under medical supervision, if necessary) by whatever means necessary to the nearest facility capable of providing adequate care. Services included arranging and paying for transportation and related medical services (including cost of medical escort, if necessary) and medical supplies necessarily incurred in connection with the emergency evacuation.

Medically Necessary Repatriation: After initial treatment and stabilization for an Injury or Sickness, if the attending Physician and the Travel Assistance Program's Medical Director deem it medically necessary, the Travel Assistance Program will transport you back to your permanent place of residence for further medical treatment or to recover. Services include arranging and paying for transportation and related medical services (including cost of medical escort, if necessary) and medical supplies necessarily incurred in connection with the repatriation.

Repatriation of Remains: In the event of your death, the Travel Assistance Program will render assistance and provide for the return of mortal remains. Services include arranging and paying for the following: location of a sending funeral home; transportation of the body from the site of death to the sending funeral home to the airport; minimally necessary casket or air tray for transport; coordination of consular services (in the case of death overseas); procuring death certificates; and transport of the remains from the airport to the receiving funeral home. Other services that might be performed in conjunction with those listed above include: making travel arrangements for any traveling companions; identification and/or notification of next-of-kin. Repatriation of Remains services are subject to a maximum coverage limit of \$25,000.

Visit by Family Member or Friend: If you are hospitalized for more than seven (7) days and are traveling alone, the Travel Assistance Program will arrange and provide your family member or friend with transportation to visit you. Visit by Family Member or Friend services are subject to a maximum coverage limit of \$5,000, to include one (1) round trip economy ticket, meals and reasonable accommodations up to a maximum of 10 days.

(continued on page 23)

TRAVEL ASSISTANCE (continued from page 22)

Return of Dependent Children: If you are hospitalized for more than seven (7) days, the Travel Assistance Program will arrange and pay for the return of your minor children who are under 19 years of age, and if necessary, accompany him or her with an attendant, up to a maximum coverage limit of \$5,000 per event.

Return of Traveling Companion: If your traveling companion loses previously made travel arrangements due to your medical emergency, the Travel Assistance Program will arrange and pay for your traveling companion's return home by the most direct and economical route, up to a maximum coverage limit of \$5,000 per event.

Assistance Services	Maximum Limit
Emergency Evacuation.....	Unlimited
Medically Necessary Repatriation	Unlimited
Repatriation of Remains	\$ 25,000
Visit by Family Member or Friend.....	\$ 5,000
Return of Dependent Children.....	\$ 5,000
Return of Traveling Companion.....	\$ 5,000

MEDICAL ASSISTANCE SERVICES

Medical Referrals: The Travel Assistance Program will assist you in finding physicians, dentists, and medical facilities.

Medical Monitoring: During the course of a medical emergency, the Travel Assistance Program's professional case managers, including physicians and nurses, will make sure the appropriate level of care is maintained or determine if further intervention, medical transportation, or possibly repatriation (return to U.S.) is needed. The Travel Assistance Program will provide case notification, both foreign and domestic, between the patient, family, physician, employer, travel company, and consulate as needed. The Travel Assistance Program will continue to provide all necessary international claim coordination, to include hospital bill translation and interpretation, as needed.

Emergency Medical Payments: When it is necessary for you to obtain needed medical services, upon request, the Travel Assistance Program will advance in local currency, up to \$10,000 to cover on-site medical expenses. The advance of funds will be made to the medical provider after the Travel Assistance Program has secured funds from you or your family.

Replacement of Medication and Eyeglasses: The Travel Assistance Program will arrange to fill a prescription that has been lost, stolen, or requires a refill, subject to local law, whenever possible. The Travel Assistance Program will also arrange for shipment of replacement eyeglasses. Costs for shipping of medication or eyeglasses, or a prescription refill, etc. are your responsibility.

Hotel Convalescence Arrangements: The Travel Assistance Program can assist you with hotel arrangements if you or your companion needs to convalesce in a hotel prior to or following medical treatment.

Medical Insurance Assistance: The Travel Assistance Program can assist you by coordinating notifications to medical insurers or managed care organizations, verifying policy enrollment, confirming medical benefits coverage, guaranteeing medical payments, assisting in the coordination of multiple insurance benefits, and handling claims paperwork flow.

Prescription Drug Assistance: When permitted by law and approved by the patient's physicians, the Travel Assistance Program will assist you in obtaining prescription drugs and other necessary personal medical items that may have been forgotten, lost or depleted while traveling.

(continued on page 24)

TRAVEL ASSISTANCE (continued from page 23)**LEGAL ASSISTANCE**

Locating Legal Services: The Travel Assistance Program can assist in contacting a local attorney or the appropriate consular officer if you are arrested or detained, involved in an automobile accident, or otherwise need legal help. The Travel Assistance Program will maintain communications with you, your family, and employer until legal counsel has been retained by you.

Bail Bond Services: The Travel Assistance Program can assist in securing bail bond services in all available locations.

BAGGAGE ASSISTANCE

The Travel Assistance Program can assist you if your baggage is lost, stolen, or delayed while traveling on a common carrier. The Travel Assistance Program will advise you of the proper reporting procedures and will help you maintain contact with the appropriate companies or authorities to help resolve the problem.

EMERGENCY PAYMENT ASSISTANCE

The Travel Assistance Program can assist you in obtaining an advance of funds for medical expenses or other travel emergencies by coordinating directly with your family, or your credit card company, bank, employer, plan sponsor or other sources of credit.

PRE-TRIP ASSISTANCE

Pre-trip assistance is available at any time and is not subject to the 100-mile travel requirement.

Passport and Visa Information: The Travel Assistance Program can advise you of the required documentation to enter and depart foreign destinations.

Health Hazards Advisory: The Travel Assistance Program can provide you with up to date travel advisories.

Inoculation Requirements: Medical entry requirements can be provided to you prior to your departure.

Weather Information: The Travel Assistance Program maintains current information regarding weather conditions for both domestic and international travel destination. This information will be provided to you through the Travel Assistance Program Call Center.

Currency Exchange Information: The Travel Assistance Program can provide you with the daily currency exchange rate for a specified country.

Consulate and Embassy Locations: The Travel Assistance Program maintains a complete listing of consulates and embassies. These locations are accessible to you by calling the Travel Assistance Program Call Center.

Translation and Interpreter Services: Professional translators and interpreters can be reached 24-hours a day to obtain translation or interpreter assistance services during emergency situations while traveling internationally.

Travel Locator Service: You can contact the Travel Assistance Program Call Center 24 hours a day, seven (7) days a week, for assistance in locating hotels, airports, sports facilities, campgrounds, and tourist attractions.

EMERGENCY MESSAGE ASSISTANCE

The Travel Assistance Program can record emergency messages from you or emergency messages for you for 24-hour periods. These messages may be retrieved at anytime by you, your family, or business associates.

EMERGENCY CASH ASSISTANCE

The Travel Assistance Program can assist you with emergency cash up to \$500. Arrangements will be made through a friend, family member, business, or your credit card in the event of an emergency. All fees associated with the transfer or deliveries of funds are your responsibility.

(continued on page 25)

TRAVEL ASSISTANCE (continued from page 24)**EMERGENCY TICKET REPLACEMENT**

The Travel Assistance Program can assist you in replacing lost or stolen airline tickets.

EMERGENCY CARD REPLACEMENT

The Travel Assistance Program can assist you with emergency card replacement if you should experience a loss, theft, or damage to your credit card or membership card.

EXCLUSIONS AND LIMITATIONS

1. The Travel Assistance Program shall not provide services enumerated if the coverage is sought as a result of: a) involvement in any act of war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, and insurrection, military or usurped power; b) traveling against the advice of a Physician; traveling for the purpose of obtaining medical treatment; c) traveling in any country in which the U.S. State Department issued travel restrictions; d) the commission of or attempt to commit an unlawful act; e) mental or emotional disorders, unless hospitalized; f) participation as a professional in athletics; g) services provided for you for which no charge is normally made; or h) travel within 100 miles of your primary residence, unless in a foreign country.
2. The services described above currently are available in every country of the world. Due to political and other situations in certain areas of the world, the Travel Assistance Program may not be able to respond in the usual manner. It is your responsibility to inquire whether a country is "open" for assistance prior to your departure and during your stay. The Travel Assistance Program also reserves the right to suspend, curtail or limit its services in any area in the event of rebellion, riot, military uprising, war, terrorism, labor disturbance, strikes, nuclear accidents, acts of God or refusal of authorities to permit the Travel Assistance Program to fully provide services.
3. If you request a transport related to a condition that has not been deemed medically necessary by a physician designated by the Travel Assistance Program in consultation with a local attending physician or to any condition excluded hereunder, and you agree to be financially responsible for all expenses related to that transport, the Travel Assistance Program will arrange but not pay for such transport to a medical facility or to your residence and will make such arrangements using the same degree of care and completeness as if the Travel Assistance Program was providing service under this agreement. A waiver of liability will be required prior to arranging these transportation services.
4. The Travel Assistance Program shall not be responsible for any claim, damage, loss, costs, liability or expense which arises in whole or in part as a result of the Travel Assistance Program's inability to verify the participant's eligibility.

All transportation benefits provided hereunder must be by the most direct and economical route possible.

For the purposes of this Description of Covered Services, the following definitions shall apply: 1) "Injury" means identifiable injury caused by an Accident; 2) "Accident" means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place; 3) "Sickness" means a sickness of the participant declares itself during the period when services are available under this Agreement.

The Travel Assistance Program is not responsible and cannot be held liable for any malpractice performed by a local physician or attorney who is not an employee of the Travel Assistance Program, or for any loss or damage to your vehicle during the return of vehicle, or for any loss or damage to any personal belongings.

NATIONWIDE LIFE HIPAA NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW PROTECTED HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

The terms of this Notice of Privacy Practices apply to Nationwide Life Insurance Company®, National Casualty Company, and the area within Nationwide Mutual Insurance Company® that performs healthcare functions. In this Notice, “Nationwide Life” or “We” means the healthcare functions of Nationwide Life Insurance Company, which is a hybrid covered entity (the healthcare functions of National Casualty Company, and Nationwide Mutual Insurance Company, a business associate). As permitted by law, Nationwide Life will share protected health information (PHI) of members as necessary to carry out treatment, payment, and healthcare operations.

We are required by HIPAA and certain state laws to maintain the privacy of our members’ PHI and to provide members with notice of our legal duties and privacy practices with respect to their PHI. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all PHI maintained by us. Copies of the revised notices will be mailed to all current plan members or insureds.

Protected health information (PHI) that is the subject of this Notice is information that is created or received by Nationwide; and relates to the past, present, or future physical or mental health or condition of a member; the provision of health care to a member; or the past, present, or future payment for the provision of health care to a member; and that identifies the member or for which there is a reasonable basis to believe the information can be used to identify the member. It includes information of persons living or deceased.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

Your Authorization. Except as outlined below, we will not use or disclose your PHI for any purpose unless you have signed a form authorizing the use or disclosure. You have the right to revoke that authorization in writing, unless we have taken any action in reliance on the authorization.

Other Uses and Disclosures. We are permitted or required by law to make certain other uses and disclosures of your PHI without your authorization. We may release your PHI for any purpose required by law. This may include releasing your PHI to law enforcement agencies; public health agencies; government oversight agencies; workers compensation; for government audits, investigations, or civil or criminal proceedings; for approved research programs; when ordered by a court or administrative agency; to the armed forces if you are a member of the military; and other similar disclosures we are required by law to make. We may release your PHI to your plan sponsor, provided your plan sponsor certifies that the information provided will be maintained in a confidential manner and not used in any other manner not permitted by law.

(continued on page 27)

HIPAA NOTICE (continued from page 26)

OTHER PRIVACY LAWS AND REGULATIONS

Certain other state and federal privacy laws and regulations may further restrict access to and uses and disclosures of your personal health information or provide you with additional rights to manage such information. If you have questions regarding these rights, please send a written request to your designated contact.

RIGHTS THAT YOU HAVE

Access to Your Protected Health Information. You have the right to copy and/or inspect much of the PHI that we retain on your behalf. All requests for access must be made in writing and signed by you or your personal representative. We may charge you a fee if you request a copy of the information. The amount of the fee will be indicated on the request form. A request form can be obtained by writing your designated contact.

Amendments to Your Protected Health Information. You have the right to request that the PHI that we maintain about you be amended or corrected. We are not obligated to make all requested Amendments but will give each request careful consideration. If the information is incorrect or incomplete and we decide to make an amendment or correction, we may also notify others who work with us and have copies of the uncorrected record if we believe that such notification is necessary. A request form can be obtained by writing to your designated contact.

Accounting for Disclosures of Your Protected Health Information. You have the right to receive an accounting of certain disclosures made by us of your PHI. Requests must be made in writing and signed by you or your personal representative. A request form can be obtained by writing your designated contact.

Restrictions on Use and Disclosure of Your Protected Health Information. You have the right to request restrictions on some of our uses and disclosures of your PHI. We are not required to agree to your restriction request. A request form can be obtained by writing your designated contact.

Disclosures for Treatment, Payment and Health Care Operations. We will make disclosures of your PHI as necessary for your treatment, payment, and/or health care operations. For instance, for your Treatment, a doctor or health facility involved in your care may request information we hold in order to make decisions about your care. For Payment, we may disclose your PHI to our pharmacy benefit manager for administration of your prescription drug benefit. For Health Care Operations, we will use and disclose your PHI as necessary, and as permitted by law, for our health care operations, which include responding to customer inquiries regarding benefits and claims.

Family and Friends Involved In Your Care. With your approval, we may from time to time disclose your PHI to designated family, friends, and others who are involved in your care or in payment for your care in order to facilitate that person’s involvement in caring for you or paying for your care.

If you are unavailable, incapacitated, or facing an emergency medical situation, and we determine that a limited disclosure may be in your best interest, we may share limited PHI with such individuals without your approval.

(continued on page 28)

HIPAA NOTICE (continued from page 27)

Business Associates. Certain aspects and components of our services are performed through contracts with outside persons or organizations. At times it may be necessary for us to provide some of your PHI to one or more of these outside persons or organizations. In all cases, we require these business associates by contract to appropriately safeguard the privacy of your information.

Other Health-Related Products or Services. We may, from time to time, use your PHI to determine whether you might be interested in or benefit from treatment alternatives or other health-related programs, products, or services which may be available to you as a member of the health plan. For example, we may use your PHI to identify whether you have a particular illness, and advise you that a disease management program to help you manage your illness better is available to you. We will not use your information to communicate with you about products or services which are not health-related without your written permission.

Information Received Pre-enrollment. We may request and receive from you and your health care providers PHI either prior to your enrollment in the health plan or the issuance of your policy. We will use this information to determine whether you are eligible to enroll in the health plan and to determine your rates. We will protect the confidentiality of that information in the same manner as all other PHI we maintain and, if you do not enroll in the health plan we will not use or disclose the information about you we obtained without your authorization.

Communications With You. You have the right to request and we will accommodate reasonable requests by you to receive communications regarding your PHI information from us by alternative means or at alternative locations. A request form can be obtained by writing your designated contact.

Complaints. If you believe your privacy rights have been violated, you can file a written complaint with your designated contact as explained in the "Contact Information" section, below. You may also file a complaint with the Secretary of the U.S. Department of Health and Human Services, Office of Civil Rights, in writing within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

CONTACT INFORMATION

If you have any questions about this statement, need copies of any forms or require further assistance with any of the rights explained above, contact us by calling 1-877-955-1559, or mail your request to:

Karen Maciejewski
Privacy Officer
AmeriBen
3449 East Copper Point Drive
Meridian, ID 83642

As a member, you retain the right to obtain a paper copy of this Notice of Privacy Practices, even if you have requested such copy by e-mail or other electronic means.

EFFECTIVE DATE

This Nationwide Life HIPAA Notice of Privacy Practices is effective April 14, 2003.

CERTIFICATION OF QUALIFYING HEALTH PLAN COVERAGE

If an Insured Person is no longer eligible to be insured under the plan, the Insured Person should request a Certification of Qualifying Health Plan Coverage from Renaissance Insurance Agency, Inc. This request can be made by phone or in writing. This request must include the name of the school and the name of each person who is no longer eligible to be insured under the plan.

AUTHORIZED REPRESENTATION

In accordance with state and federal rules and regulations, we will not disclose individual information without authorization. This includes disclosures to family members for insured individuals who have reached the age of majority.

If the Insured Person would like to authorize an additional party to act as a personal representative for matters pertaining to this insurance plan, we must have an Authorization Form on file. To request a form, please contact Renaissance Insurance Agency, Inc. at the address below or complete a form via the internet at: www.renstudent.com.

SUMMARY OF PRIVACY POLICY

We strongly believe in maintaining the confidentiality of the personal information we obtain and/or receive about Insured Persons and we are committed to protecting the privacy of Insured Persons. We do not disclose any nonpublic information about Insured Persons to anyone, except as permitted or required by law. We do not sell or otherwise disclose Insured Person's personal information to anyone for purposes unrelated to our products and services. We maintain physical, electronic and procedural safeguards that comply with federal and state regulations to protect information about Insured Persons from unauthorized disclosure. We may disclose any information we believe necessary to conduct our business as is legally required. Insured Persons have the right to access, review and correct all personal information collected. Insured Persons may review this Privacy Policy in its entirety, or the Privacy Policies of other entities servicing the Policy, by writing to the address or visiting the website shown below. Insured Persons may also submit a request, in writing, to review your information at the address below.

Renaissance Insurance Agency, Inc.
Attention Privacy Manager
P.O. Box 2300
Santa Monica, CA 90407-2300
Phone: 1-800-537-1777
Facsimile: 1-310-394-0142
Website: www.renstudent.com

INSURANCE ID CARD

A temporary ID Card can be downloaded at www.renstudent.com/isu. A permanent ID card will be mailed to you shortly after the beginning of the Fall Semester. Only one permanent ID card will be mailed to you each school year (not each semester). If you need a replacement card, please contact Renaissance Insurance Agency, Inc. at 1-800-537-1777. **Always carry your insurance ID card with you.**

IMPORTANT INFORMATION

This brochure describes your benefits under the plan of insurance sponsored by your school. It is not a contract of insurance. Your coverage is governed by a policy of blanket Injury and Sickness insurance underwritten by Nationwide Life Insurance Company. As evidence of your coverage, a policy of insurance (Policy Number 302-110-1108) has been issued to your school which contains the benefits and provisions which apply to the plan of insurance sponsored by your school. Any discrepancy between this brochure and the policy will be governed by the policy. Please keep this brochure for future reference.

B/NSHSAS 2000 ID BSU

Insurance Company:

Nationwide Life Insurance Company

Policy Number:

302-110-1108

Student Insurance Office:

921 South 8th Avenue, Stop 8375

Pocatello, ID 83209

Toll-Free 1-208-282-2972

For questions regarding benefits or claims:

AmeriBen

P.O. Box 6947

Boise, ID 83707-0947

Toll-Free 1-888-955-1559

www.myameriben.com

For questions regarding eligibility or enrollment:

Renaissance Insurance Agency, Inc.

P.O. Box 2300

Santa Monica, CA 90407-2300

1-800-537-1777

For travel assistance services 24/7, contact:

On Call International

From US or Canada: 1-866-525-1957

Collect from anywhere else in the world: 1-603-898-9159

Email: mail@oncallinternational.com

To download additional plan materials or an FAQ, or to enroll Dependents in the plan, please visit:

www.renstudent.com/isu

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Lewis-Clark

S T A T E

C O L L E G E



2010-2011

Student Health Insurance Plan

SHIP

underwritten by
Nationwide Life Insurance Company

policy number
302-081-1108

TABLE OF CONTENTS

Eligibility	1
Waiver Requirements.....	2
Enrollment Procedure.....	3
Costs of Coverage.....	4
Premium Refunds.....	4
Terms of Coverage.....	4
Extension of Benefits.....	5
Preferred Provider Organization.....	6
Schedule of Benefits	7
Breast Cancer Screening	11
Breast Reconstruction Following Mastectomy	11
Accidental Death and Dismemberment	12
General Exclusions	12
Pre-Existing Condition Limitation	14
Coordination of Benefits	15
Definitions.....	15
Claim Procedure.....	19
Travel Assistance Program	21
Certification of Qualifying Health Plan Coverage	25
Authorized Representation.....	25
Summary of Privacy Policy.....	25
HIPAA Notice of Privacy Practices.....	26
Important Information	Back Cover
ID Card	Back Cover

ID CARD

A temporary ID card is located on the back cover. Please detach and retain for proof of coverage. A permanent ID card will be mailed to you shortly after the start date of the plan. Your insured dependents may also use your ID card to obtain treatment. **Only one permanent ID card will be mailed to you each school year (not each semester).**

If services or prescriptions are needed before you receive your permanent ID card, please contact Student Health Services.

Always carry your insurance identification card with you.

STUDENT HEALTH SERVICES

Location:	Sam Glenn Complex, Room 205 500 8th Avenue Lewiston, ID 83501
Phone:	1-208-792-2251
Hours:	Monday-Friday 8:00 a.m. to 5:00 p.m. Closed from 12:00 p.m. to 1:00 p.m.

ELIGIBILITY**Students**

The following students are automatically covered under the Student Health Insurance Plan (SHIP), unless proof of other comparable coverage is provided and a waiver is submitted by the Waiver Deadline Date each semester:

- All full-fee paying domestic students enrolled in at least 12 credit hours
- All international students enrolled in at least one (1) credit hour and attending Lewis-Clark State College on a non-immigrant visa with LCSC as the sponsoring institution (including students enrolled in the IIE Program)

Students have until the Waiver Deadline Date to enroll in the minimum number of credit hours required to be eligible for this coverage. Auditing hours may be used toward satisfying the minimum number of hours required to purchase this insurance.

Part-time students (except international students) are not eligible for SHIP.

To maintain eligibility for the Student Health Insurance Plan, students must actively attend classes for the first 31 days after the beginning date of the term for which coverage is purchased. However, coverage for any student who withdraws for medical reasons, as verified and approved by the school, after the first 10 days of the term will have coverage continue through to the end of the term for which premium has been paid.

Nationwide Life Insurance Company (hereinafter "the Company") maintains its right to investigate student (and Dependent) status and attendance records to verify that the policy eligibility requirements have been met. If and whenever the Company discovers that the policy eligibility requirements have not been met, its only obligation is refund of premium less any claims paid.

Dependents

Covered Students may also insure their eligible Dependents who are the Covered Student's: 1) legally married spouse who is not legally separated from and resides with the Covered Student; and/or 2) **unmarried child under the age of 25 who receives more than one-half of his or her financial support from the Covered Student.**

If a child is born to an insured student, that child will be covered under the plan for the first 60 days after: 1) the birth date of the newly born child; 2) the effective date of adoption of the child by the student; or 3) the date of placement of the child for adoption with the student. Coverage for such child will be for Sickness and Injury, including medically diagnosed congenital defects, birth abnormalities, prematurity and nursery care. Should the student's coverage terminate before the end of the 60-day period, newborn coverage will not extend beyond the student's termination date.

The Covered Student will have the right to continue coverage for the child beyond 60 days. To continue the coverage the Covered Student must: 1) notify Renaissance Insurance Agency, Inc. by the 60th day; and 2) pay the monthly pro-rated cost of coverage for the remainder of the current term, if required. Once Renaissance has been notified, the Covered Student will have 31 days (in addition to the initial 60 days) to submit payment of any additional premium. If the Covered Student does not use this right as stated here, all coverage as to that child will terminate at the end of the 60-day period.

The term "children" includes an insured student's biological children, step-children and adopted children from the date of placement who depend upon the insured student for full support.

Any dependent on active duty in any military, naval, or air force of any country is not eligible for coverage under the policy.

WAIVER REQUIREMENTS

Students who wish to waive coverage under the plan must submit satisfactory proof of comparable and verifiable continuing health insurance coverage by the Waiver Deadline Date **each semester**. In order to qualify for a waiver, the student must be continuously covered under a health insurance plan for the entire school term, which includes, at a minimum, the following:

- Must be effective for the same coverage period as provided under the SHIP policy;
- Maximum Benefit of at least \$100,000 per accident or illness;
- Deductible not to exceed \$5,000 (a maximum \$1,000 Deductible is strongly recommended);
- Coinsurance amount not to exceed 25% of in-network PPO charges (insurance pays at least 75%) and 50% of out-of-network PPO charges;
- Must cover accidents and illness (to include maternity coverage for females)
- Must provide coverage locally (in the area where educational services are received) for emergency and non-emergency inpatient and outpatient care, including follow-up care
- Must cover Injuries when participating in intercollegiate, intramural and/or club sports activities;
- For international students, the plan must have at least \$10,000 of repatriation coverage and \$15,000 of medical evacuation coverage; and
- Plans **must** be owned, operated and based in the United States and must be in full compliance with applicable federal laws. International students may not waive with insurance from their home country.

Students who are covered under a plan that does not meet all of the applicable requirements will not be allowed to waive coverage under this plan.

Students who are eligible to waive coverage under this plan must sign onto WarriorWeb to submit a waiver request. The waiver must be completed by 5:00 p.m. on the Waiver Deadline Date each semester. Please see the complete step-by-step Waiver Procedure for more details, which is available at www.renstudent.com/lcsc.

Waiver Deadline Date

Fall: August 27, 2010

Spring/Summer: January 14, 2011

ENROLLMENT PROCEDURE

Students

All eligible students who have not waived coverage by the Waiver Deadline Date each semester will be automatically enrolled in the plan. The cost for SHIP is included in the tuition fees each semester.

If an eligible student has waived out of the Lewis-Clark State College plan and later wishes to enroll due to an Involuntarily Loss of Coverage, he or she must submit to the College proof of the Involuntary Loss of Coverage and written notification of their interest to enroll in the Lewis-Clark State College Student Insurance Plan. Please note it is the responsibility of the eligible student to submit to the College proof of the Involuntary Loss of Coverage and written notification of their interest to enroll in the Lewis-Clark State College Student Insurance Plan within 63 days of the termination date of the prior coverage in order to maintain continuous coverage and avoid the exclusion of benefits for Pre-Existing Conditions under the Policy. Eligible students must pay the entire premium for the term in which they are electing to enroll. Students who have waived enrollment in the plan and later wish to enroll in the school insurance plan, but who have not had an Involuntary Loss of Coverage, may elect to enroll in the next ensuing term of coverage, provided they maintain eligibility status.

Registrants in special programs which have different academic calendars shall be allowed to purchase insurance, paying premiums as though they were enrolled for one semester.

Dependents

Students may enroll eligible Dependents in the plan online with a MasterCard or Visa at www.renstudent.com/lcsc by the Dependent Enrollment Deadline Date.

Students who wish to pay by check or money order may download a Dependent enrollment form from www.renstudent.com/lcsc and submit the completed form, along with the proper payment, to Renaissance Insurance Agency, Inc. (must be postmarked by the Dependent Enrollment Deadline Date).

If a student wishes to enroll a new Dependent, and it is past the Dependent Enrollment Deadline Date, the student must contact Renaissance Insurance Agency, Inc. at 1-800-537-1777. Newly acquired Dependents (spouse and/or children) are not subject to the Dependent Enrollment Deadline Dates. However, enrollment and payment (if required) for all newly acquired Dependents must be received within 60 days of marriage or within 91 days of birth or placement of a Dependent child as defined herein. **Otherwise, enrollment and payment cannot be accepted after the Dependent Enrollment Dates listed.**

COSTS OF COVERAGE

SHIP	Fall	Spring/Summer
Student	\$ 517.00	\$ 715.00
Spouse	\$ 684.00	\$ 945.00
Child(ren)	\$ 587.00	\$ 810.00

IIE Program**Per Term**

Student	\$ 143.00
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Student costs are pending State Board approval of the 2010-2011 fee structure later this spring.

The Spouse and Child(ren) costs are in addition to the Student cost.

PREMIUM REFUNDS

Except in the case of a medical withdrawal after the first 10 days of the term, if a student withdraws from school during the first 31 days of coverage under the plan a full refund of premium for the applicable term will be made upon request and the coverage will be as if it had never been in effect. In addition, if a student enters full-time active military service or, in the case of an international student, permanently returns to the home country or country of regular domicile, a pro rata refund will be issued only upon written request from the school. Otherwise, premium refunds are not allowed.

TERMS OF COVERAGE**Effective Date**

Coverage for students enrolling in SHIP will become effective at 12:01 a.m. on the effective date of the term for which premium has been paid.

Coverage for students participating in Intercollegiate Athletics at Lewis-Clark State College will become effective at 12:01 a.m. on the first date of the applicable term in which the student is enrolled or at 12:01 a.m. on the first date that the student is required to participate in the practice or play of the sport, according to the Athletic Department of the College, whichever is earlier, said date not to be earlier than 8/01/10 for Fall Semester or 1/01/11 for Spring Semester.

For students who previously waived coverage, but elect to enroll later due to Involuntary Loss of Coverage, coverage will become effective at 12:01 a.m. on:

1. The beginning date of the current term if the Involuntary Loss of Coverage occurs during the first 31 days of that term; or
2. The day following the date of receipt of proof of the Involuntary Loss of Coverage and payment of premium.

Coverage for eligible Dependents becomes effective at 12:01 a.m. on the latest of: 1) the first date of the applicable term in which the Dependent is enrolling; 2) the day after the date that online enrollment is completed; or 3) the day after the date that full payment and completed application received by mail are postmarked.

(continued on page 5)

TERMS OF COVERAGE (continued from page 4)**Termination Date**

Coverage terminates at 12:01 a.m. on the earliest of the following dates:

1. The date the Policy is terminated by the Policyholder or the Company;
2. The last day of the Term of Coverage for which premium is paid;
3. The date an Insured Person enters full-time active military service or, for international students, the date the Insured Person permanently returns to the home country;
4. The last day of the period through which premium has been paid, following the date a Dependent ceases to be a Dependent as described herein.

Dependent coverage will not be effective prior to that of the student or extend beyond that of the student, except as specifically provided under the Extension of Benefits provision.

Term	Effective Date	Termination Date	Dependent Enrollment Deadline Date
Fall	08/14/10	01/01/11	9/14/10
Spring/Summer	01/01/11	08/15/11	2/01/11

We do not send termination or renewal notices. It is the Insured's responsibility to renew coverage in a timely manner, subject to continuing eligibility. Eligibility requirements must be met each time premium is paid to continue coverage.

EXTENSION OF BENEFITS

The coverage provided under this Policy ceases on the Insured's termination date. However, if an Insured Person is totally disabled or pregnant on the termination date, Covered Charges incurred as a result of the disability condition or in connection with pregnancy, childbirth or miscarriage will continue to be paid until the date the disability or pregnancy ends, or for a period of 12 months, whichever is earlier.

The total payments made in respect of the Insured Person for such condition both before and after the termination date will never exceed the Lifetime Aggregate Maximum Benefit. After this Extension of Benefits provision has been exhausted, all benefits cease to exist and under no circumstances will further benefits be made. This provision is applicable only to the extent the Insured Person is not enrolled in the ensuing term of coverage in this plan or other similar health insurance coverage.

Dependents who are newly acquired during the Covered Student's Extension of Benefits period are not eligible for benefits under the provision. This Extension of Benefits provision does not apply to prescription drug coverage.

Totally disabled means, with respect to the Covered Student, the inability to attend classes at the location where he or she is enrolled. With respect to a Dependent, or the Covered Student if such classes are not in session, totally disabled means the inability to perform those activities that are normal for a person in good health of the same age and sex.

PREFERRED PROVIDER ORGANIZATION

Please be aware that this plan has incorporated into the coverage access to a Preferred Provider Organization (PPO) network of Doctors, Hospitals and other facilities who have contracted to provide specific medical care at a discounted, negotiated rate. Before seeking treatment, make sure that your doctor is a member of the new network or you may have to pay a higher coinsurance.

The Preferred Provider Organizations for this plan are the Idaho Physicians Network (IPN), which is available for local and statewide medical care, and First Health Network (FHN) which is available for medical care nationwide when seeking treatment outside of Idaho.

In-Network Providers (PPO)

Network access provides benefits nationwide for Covered Charges incurred at 80% of the Preferred Allowance for a covered Injury or Sickness when treated by network providers. When utilizing a PPO provider or facility there will be a 20% out-of-pocket Coinsurance expense for which the Insured Person is responsible.

When the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges incurred for treatment by a PPO Provider exceeds \$4,000 for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges incurred for treatment by a PPO Provider for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

For a complete listing of the PPO Hospital and Doctor facilities **within Idaho**, call the Idaho Physicians Network (IPN) at **1-866-476-1076** or visit **www.ipnmd.com**.

For PPO Hospital and Doctor facilities **outside of Idaho**, call the First Health Network at **1-800-226-5116** or visit **www.myfirsthealth.com**.

If an Insured Person is being treated by a Preferred Provider for an acute, serious chronic condition, pregnancy, newborn, or a terminal illness, and the Provider's contract terminates with the PPO, the Insured Person may be eligible under certain conditions to continue treatment with the Provider at the PPO rate. Contact the claims administrator for details.

Please be aware that if an Insured Person is treated at a PPO Hospital, it does not mean that all providers at that Hospital are PPO providers. In addition, if an Insured Person is referred by a PPO provider to another provider or facility, it does not mean that the provider or facility to which the Insured Person is referred is also a PPO provider. For instance, if a network Doctor gives a referral to a non-network lab for tests or a non-network anesthesiologist is used for a surgery in a network Hospital, the Insured Person will have to pay the higher Coinsurance for the non-network providers. It is the Insured's responsibility to verify that a provider is currently a member of the PPO Network. This information can be found on the network websites listed above.

Out-of-Network Providers (non-PPO)

If a non-PPO provider or facility is utilized, coverage is available worldwide at 60% of Reasonable and Customary Expenses (R&C). If a non-PPO provider or facility is utilized, there is a 40% Coinsurance factor for which the Insured Person is responsible. Covered Charges for Emergency treatment by a non-PPO provider or facility will be paid at 80% of R&C.

When the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges incurred for treatment by a non-PPO Provider exceeds \$6,000 for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges incurred for treatment by a non-PPO Provider for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

SCHEDULE OF BENEFITS

In consideration of the fact that Lewis-Clark State College students pay a health center fee which entitles them to certain services, this insurance presumes that students will first seek treatment at Student Health Services during times it is open. In the case of an Emergency, students should go to St. Joseph Regional Medical Center or the nearest medical facility. Students seeking emergency care, without a referral from SHS, will be subject to the Policy Year Deductible, as well as the \$200 emergency room Copayment if not admitted, before the insurance will begin paying benefits.

Student Health Services	
Location:	Sam Glenn Complex, Room 205 500 8th Avenue Lewiston, ID 83501
Phone:	1-208-792-2251
Hours:	Monday-Friday 8:00 a.m. to 5:00 p.m. Closed from 12:00 p.m. to 1:00 p.m.

The Company will pay for the Covered Charges listed below, up to the following limits.

DEDUCTIBLE

The Insured Person is responsible for paying the Deductible amount listed before the Company will begin paying benefits.

In-Network Providers: \$250 per Policy Year

Out-of-Network Providers: \$500 per Policy Year

The Deductible is waived for treatment received at Student Health Services.

COINSURANCE MAXIMUM LIMIT

Once the Deductible has been met, the Policy pays 80% of Covered Charges when utilizing in-network providers and 60% of Covered Charges when utilizing out-of-network providers, except as specified below. If the out-of-pocket Coinsurance amount an Insured Person pays for Covered Charges exceeds the Coinsurance Maximum Limit for all conditions during a Policy Year, the Policy will pay 100% of additional Covered Charges for the remainder of the Policy Year, up to the Lifetime Aggregate Maximum.

In-Network Providers: \$4,000 per Policy Year

Out-of-Network Providers: \$6,000 per Policy Year

(continued on page 8)

SCHEDULE OF BENEFITS (continued from page 7)**LIFETIME AGGREGATE MAXIMUM**

After satisfaction of the Deductible, the Company will pay for Medically Necessary Covered Charges incurred as the result of a Sickness or Injury, according to the applicable limits stated below, up to the Lifetime Aggregate Maximum of \$250,000 for all conditions combined.

Coverage for Injuries sustained during participation in regularly scheduled intercollegiate sports events of Lewis-Clark State College (including the regular season for such sport, the supervised practice and tryout for such sport, and the travel to and from sports events and practices) is limited to a maximum of \$2,500 per Injury.

BENEFIT PERIOD

Covered Charges must be incurred within 52 weeks from the date of the Accident or first treatment for Sickness.

COVERED CHARGES are limited to the following:

INPATIENT	
HOSPITAL CONFINEMENT ROOM AND BOARD daily average semi-private room rate and general nursing care provided by a Hospital	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
INTENSIVE CARE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
MATERNITY AND NEWBORN CARE during Hospital Confinement, including routine nursery care provided immediately after birth	PPO: Paid as any other Sickness NON-PPO: Paid as any other Sickness LIMIT: up to 48 hours after birth (96 hours for cesarean delivery)
HOSPITAL CONFINEMENT MISCELLANEOUS such as the cost of the operating room, laboratory tests, x-ray examinations including professional fees, anesthesia, physical therapy, drugs (excluding take-home drugs) or medicines, therapeutic services and supplies; dressings; oxygen tent	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
SURGICAL EXPENSE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ASSISTANT SURGEON	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ANESTHETIST professional services in connection with inpatient surgery	PPO: 80% of actual charges NON-PPO: 60% of actual charges

(continued on page 9)

SCHEDULE OF BENEFITS (continued from page 8)

INPATIENT (continued)	
PRE-ADMISSION TESTING if testing occurs within 7 working days prior to admission	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DOCTOR VISITS does not apply when related to surgery	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day
TREATMENT OF MENTAL DISORDERS AND/OR ALCOHOL AND SUBSTANCE ABUSE for inpatient or intermediate care	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of \$7,000 per Policy Year
OUTPATIENT	
EMERGENCY ROOM EXPENSE for use of Hospital emergency room, operating room, laboratory and x-ray examinations, and supplies	COPAY: \$200 per visit PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C (80% in the case of an Emergency) <i>The emergency room Copayment is waived if the Insured Person is admitted as an inpatient to the hospital or if the Insured Person obtains a referral from a member of the Lewis-Clark State College staff within 72 hours of treatment.</i>
URGENT CARE CENTER	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DAY SURGERY MISCELLANEOUS scheduled surgery performed in a Hospital or outpatient facility, including use of operating room, laboratory tests and x-ray examinations (including professional fees), anesthesia, drugs or medicines (excluding take-home) and supplies, therapeutic services (excluding physical therapy)	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
SURGICAL EXPENSE	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ASSISTANT SURGEON	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ANESTHETIST professional services in connection with outpatient surgery	PPO: 80% of actual charges NON-PPO: 60% of actual charges

(continued on page 10)

SCHEDULE OF BENEFITS (continued from page 9)

OUTPATIENT (continued)	
DOCTOR VISITS does not apply when related to surgery	COPAY: \$10 per visit PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day
PHYSICAL THERAPY includes chiropractic treatment	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of \$50 per treatment; up to a maximum of \$750 per Injury or Sickness
MEDICALLY NECESSARY TREATMENT OF ACNE	COPAY: \$10 per visit PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
ALLERGY TESTING AND TREATMENT	COPAY: \$10 per visit PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
INJECTIONS when administered in a Doctor's office when no other service is received; includes allergy immunotherapy	COPAY: \$10 per visit PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
RADIATION THERAPY AND CHEMOTHERAPY	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
LABORATORY TESTS	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
DIAGNOSTIC SERVICES includes x-rays, CAT scans, PET scans, MRI and nuclear medicine	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
TREATMENT OF MENTAL DISORDERS AND/OR ALCOHOL AND SUBSTANCE ABUSE	COPAY: \$10 per visit PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: limited to one visit per day; up to a maximum of 12 visits per Policy Year
PRESCRIPTION DRUGS <i>Prescriptions are only available through the Express Scripts prescription drug card program.</i>	GENERIC COPAY: \$15 BRAND NAME COPAY: \$25 LIMIT: up to a maximum of \$500 per Policy Year <i>The Copay applies to each 30-day supply.</i> <i>The Deductible is waived for prescription drugs.</i> To locate an Express Scripts pharmacy: www.Express-Scripts.com 1-800-447-9638

(continued on page 11)

SCHEDULE OF BENEFITS (continued from page 10)

OTHER	
AMBULANCE SERVICES for ground and air	PPO: 80% of Preferred Allowance NON-PPO: 80% of R&C LIMIT: for Emergency only
DURABLE MEDICAL EQUIPMENT/BRACES AND APPLIANCES includes use of wheelchair, braces or crutches	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of \$1,000 per Policy Year
DENTAL TREATMENT for Injury to sound natural or sound restored teeth	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: up to a maximum of \$250 per tooth
DENTAL EXTRACTION for extraction of abscessed teeth or impacted wisdom teeth only	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C
PREGNANCY including complications of pregnancy	PPO: 80% of Preferred Allowance NON-PPO: 60% of R&C LIMIT: paid as any other Sickness

BREAST CANCER SCREENING

Coverage is provided for mammography examinations at the following intervals: 1) one baseline mammogram for any woman who is 35 through 39 years of age; 2) a mammogram every two years for any woman who is 40 through 49 years of age, or more frequently if recommended by the woman's physician; 3) a mammogram every year for any woman who is 50 years of age or older; and 4) a mammogram for any woman desiring a mammogram for medical cause.

BREAST RECONSTRUCTION FOLLOWING MASTECTOMY

Coverage is provided for breast reconstruction following mastectomy, including reconstruction of the breast on which the mastectomy has been performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, prostheses (e.g. breast implant) and treatment for physical complications of the mastectomy, including lymphedema.

ACCIDENTAL DEATH AND DISMEMBERMENT

When covered Injuries result in loss of life, dismemberment or loss of sight, which occurs within 365 days of a covered Accident, the plan will pay:

Loss of	Amount
Life.....	\$ 3,500
Both hands or both feet	\$ 3,500
Sight of both eyes.....	\$ 3,500
Sight of one eye and one hand or one foot	\$ 3,500
Sight of one eye.....	\$ 1,750
One hand or one foot.....	\$ 1,750
Thumb and index finger of one hand.....	\$ 875

Loss of hand or foot means loss by severance at or above the wrist or ankle joint. Loss of sight must be entire and irrecoverable. Loss of thumb and index finger means loss by severance at or above the metacarpophalangeal joints, which are the joints between the fingers and the hand. Any benefit payable under this part will be in addition to any benefit otherwise payable under this Policy

Only the largest benefit will be paid if more than one loss results from any one Accident.

GENERAL EXCLUSIONS

No benefits will be paid for loss or expense caused by, contributed to, or resulting from, or treatment, services, or supplies for, at, or related to:

1. Eyeglasses, contact lenses including but not limited to routine eye refractions, eye exams, radial keratotomy or similar surgical procedures to correct vision, except in the case of Injury;
2. Cosmetic surgery, plastic surgery, resulting complications, consequences and after effects or other services and supplies that the Company determines to be furnished primarily to improve appearance rather than a physical function or control of organic disease, except as provided herein or for treatment of an Injury that is covered under the Policy. Improvements of physical function does not include improvement of self-esteem, personal concept of body image, or relief of social, emotional, or psychological distress. Procedures not covered include, but are not limited to: face lifts, rhinoplasty, sagging eyelids, prominent ears, skin scars, baldness, and correction of breast size, asymmetry or shape by means of reduction, augmentation, or breast implants (except for correction of deformity resulting from mastectomy or lymph node dissection). This exclusion does not include reconstructive surgery when the service is incidental to or follows surgery resulting from trauma, infection or other diseases of the involved part, and reconstructive surgery because of congenital disease or anomaly of a covered Dependent child;
3. Treatment, service, or supply which is not Medically Necessary for the diagnosis, care or treatment of the Sickness or Injury involved;
4. Treatments which are considered to be unsafe, Experimental, or Investigational by the American Medical Association (AMA) and resulting complications;
5. Treatment on or to the teeth or gums, except as provided herein;

(continued on page 13)

GENERAL EXCLUSIONS (continued from page 12)

6. Injury sustained while: a) participating in any intercollegiate sport, contest, or competition; b) traveling to or from such sport, contest, or competition as a participant; or c) while participating in any practice or conditioning program for such sport, contest, or competition; except as specifically provided herein. This exclusion does not apply to Injuries sustained while participating in the intramural program or the Lewis-Clark club sports program or other sports and recreation activities which are not under the auspices of the athletic department;
7. Injury occurring in consequence of riding or otherwise being in any vehicle or device of aerial navigation, except as a fare-paying passenger on a regularly scheduled flight of a commercial airline;
8. Sterilization or sterilization reversal; vasectomy; prescription and non-prescription birth control;
9. Hospital Confinement or any other services or treatment for which the Insured Person is not legally obligated to pay or for which no charge is made;
10. Treatment in a government Hospital, unless there is a legal obligation for the Insured Person to pay for such treatment;
11. Any services of a Doctor, nurse, or health care practitioner who lives with the Insured Person or who is related to the Insured Person by blood or marriage;
12. Services received after the Insured's coverage ends, except as specifically provided under the Extension of Benefits Provision;
13. Services for the treatment of any Injury or Sickness incurred while committing a felony or while taking part in an insurrection or riot or fighting, except in self-defense;
14. Injury or Sickness for which benefits are paid or payable under any workers' compensation or occupation disease law or act, or similar legislation; and
15. War or any act of war, declared or undeclared; or while in the armed forces of any country (not directly administered by Lewis-Clark State College); and
16. Routine physical examinations, health examinations or preschool physical examinations, routine testing, preventive testing or treatment, or screening exams; except as specifically provided herein.

PRE-EXISTING CONDITION LIMITATION

Pre-Existing Conditions are not covered for the first 12 months following the Insured's Effective Date of coverage under the Policy.

This limitation will not apply if, during the period immediately preceding the Insured's Effective Date of coverage under this Policy, the Insured Person was covered under prior Creditable Coverage for 12 consecutive months. Prior Creditable Coverage of less than 12 months will be credited toward satisfying the Pre-Existing Condition limitation. This waiver will apply only if the Insured Person becomes eligible and applies for coverage within 63 days of termination of his or her prior coverage.

Pregnancy, including complications of pregnancy, shall not be considered a Pre-Existing Condition under the Policy. In addition, this limitation will not apply to a newborn Dependent child or a child adopted by the Covered Student or placed with the Covered Student for adoption, if the adoption or placement for adoption occurs while the Covered Student is covered under the Policy.

Creditable Coverage includes:

- Any individual or group Policy, contract or program, that is written or administered by a disability insurance Company, health care service plan, fraternal Benefits society, self-Insured employer plan, or any other entity, and that arranges or provides medical, Hospital, and surgical Coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion Coverage but does not include accident only, credit, Coverage for onsite medical clinics, disability income, Medicare supplement, long-term care insurance, dental, vision, Coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which Benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance Policy or equivalent self-insurance.
- The Federal Medicare programs pursuant to Title XVIII of the Social Security Act.
- The Medicaid program pursuant to Title XIX of the Social Security Act.
- Any other publicly sponsored program, provided in this state or elsewhere, of medical, Hospital and surgical care.
- 10 U.S.C.A. Chapter 55 (commencing with Section 1071) (Civilian Health and Medical Program of the Uniformed services (CHAMPUS)).
- A medical care program of the Indian Health Service or of a tribal organization.
- A state health Benefits risk pool.
- A health plan offered under 5 U.S.C.A. Chapter 89 (commencing with Section 8901) (Federal Employees Health Benefits Program (FEHBP)).
- A public health plan as defined in federal regulations authorized by Section 2701(c) (1)(I) of the Public Health Service Act, as amended by Public Law 104-191, the Health Insurance Portability and Accountability Act of 1996.
- A health Benefit plan under Section 5(e) of the Peace Corps Act (22 U.S.C.A. Sec. 2504(e)).
- Any other Creditable Coverage as defined by subsection (c) of Section 2701 of Title XXVII of the federal Public Health Services Act (42 U.S.C. Sec. 300gg(c)).

COORDINATION OF BENEFITS

If an Insured Person is also covered under one or more other plans, the benefits payable under this Policy will be coordinated with the benefits payable under the other plan(s). Coordination of Benefits means the order in which claims are paid. Coordination permits secondary plans to reduce their benefits so that the combined benefits of all plans do not exceed 100% of the total allowable expenses. For further explanation of Coordination of Benefits, please see the policy on file at the College or contact AmeriBen.

DEFINITIONS

The terms shown below shall have the meaning given in this section whenever they appear in the brochure.

Accident means an event that is sudden, unexpected, and unintended, and over which the Insured Person has no control.

Coinsurance means the percentage of the expense for which the Insured Person is responsible for a covered service.

Coinsurance Maximum Limit means the maximum amount of money an Insured Person pays for Coinsurance amounts in a Policy Year. This amount is shown on the Schedule of Benefits. There are separate Coinsurance Maximum Limit amounts for in-network and out-of-network benefit levels.

Copayment (Copay) means a specified dollar amount an Insured Person must pay for specified charges. The Copayment is separate from and not a part of the Deductible or Coinsurance or Coinsurance Maximum Limit.

Covered Charge means those charges for any treatment, services or supplies: 1) for network providers not in excess of the Preferred Allowance; 2) for non-network providers not in excess of the charges of the Reasonable and Customary Expense therefore; and 3) not in excess of the charges that would have been made in the absence of this insurance; and 4) incurred while this Policy is in force as to the Insured Person, except with respect to any covered expense payable under the Extension of Benefits Provision.

Covered Student means an eligible student of the College who is insured under the Policy.

Deductible means the amount of expenses for covered services and supplies which must be incurred by the Insured Person before specified benefits become payable.

Dependent means a person who is the Covered Student's:

1. Legally married spouse, who is not legally separated from the Covered Student and resides with the Covered Student; or
2. Unmarried child under the age of 25 who receives more than one-half of his or her financial support from the Covered Student.

The term child refers to the Covered Student's unmarried:

1. Natural child;
2. Stepchild or foster child. A stepchild is a Dependent on the date the Covered Student marries the child's parent. A foster child is a Dependent from the moment of placement with the Covered Student as certified by the agency making the placement; or

(continued on page 16)

DEFINITIONS (continued from page 15)

3. **Adopted child**, including a child placed for adoption with the Covered Student, from the moment of placement as certified by the agency making the placement. Placed for adoption or placement means the assumption and retention by a Covered Student of a legal obligation for total or partial support of a child in anticipation of the adoption of the child. The child's placement with a Covered Student terminates upon the termination of that legal obligation.

Doctor means: 1) a legally qualified physician licensed by the state in which he or she practices; 2) a practitioner of the healing arts performing services within the scope of his or her license as specified by the laws of the state of residence of such practitioner; or 3) a certified nurse midwife while acting within the scope of that certification. The term does not include a person who ordinarily resides in the Insured Person's home or is related to the Insured Person by blood or marriage.

Emergency means Sickness or Injury for which immediate medical treatment is sought at the nearest available facility. The condition must be one which manifests itself by acute symptoms which are sufficiently severe (including severe pain) that a prudent layperson with average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in any of the following:

1. Placing the health of the individual or, with respect to a pregnant woman, the health of the woman or her unborn child in serious jeopardy; or
2. Serious impairment to bodily functions; or
3. Serious dysfunction of any bodily organ or part.

Experimental/Investigational means the service or supply has not been demonstrated in scientifically valid clinical trials and research studies to be safe and effective for a particular indication.

Hospital means a facility which provides diagnosis, treatment, and care of persons who need acute inpatient hospital care under the supervision of Doctors. It must be licensed as a general acute care hospital according to state and local laws. Hospital shall also include a psychiatric health facility for the treatment of mental or psychoneurotic disorders. Facilities primarily treating drug addiction or alcoholism that are licensed to provide these services are also included in this definition.

Hospital does not include an institution, or part thereof, which is other than incidentally a nursing home, a convalescent hospital, or a place for rest or the aged.

Hospital Confinement means confinement in a Hospital for at least 18 hours for which a room and board charge is made by reason of Sickness or Injury for which benefits are payable. The readmission for the same or related Sickness or Injury, within a 72 hour period, will be considered a continuation of confinement.

Injury means bodily Injury due to a sudden, unforeseeable, external event which results solely, directly and independently of disease, bodily infirmity or any other causes. All injuries sustained in any one Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury.

Insured Person means an eligible student or eligible Dependent who has been accepted for coverage and who has paid the required premium.

(continued on page 17)

DEFINITIONS (continued from page 16)

Involuntary Loss of Coverage means that prior coverage has been involuntarily terminated due to no fault of the Insured, which includes coverage that terminates due to a loss of employment by the student or the student's spouse or parent. This definition does not include coverage that has a predetermined termination date, or expiration of COBRA eligibility, and does not apply to coverage that has been voluntarily terminated.

Lifetime Aggregate Maximum means the amount payable by the Company for incurred Covered Charges for all Injuries or Sicknesses paid under this Policy or under any other Policy issued to the College by this Company.

Medically Necessary means a treatment, drug, device, procedure, supply or service that is necessary and appropriate for the diagnosis or treatment of a Sickness or Injury in accordance with generally accepted standards of medical practice in the United States at the time it is provided.

A treatment, drug, device, procedure, supply or service shall not be considered Medically Necessary if it:

1. Is Experimental/Investigational or for research purposes;
2. Is provided solely for educational purposes or the convenience of the patient, the patient's family, Doctor, Hospital or any other provider;
3. Exceeds in scope, duration or intensity the level of care that is needed to provide safe, adequate and appropriate diagnosis or treatment and where ongoing treatment is merely for maintenance or preventive care;
4. Could have been omitted without adversely affecting the patient's condition or the quality of medical care;
5. Involves treatment with or the use of a medical device, drug or substance not formally approved by the U.S. Food and Drug Administration (FDA). If the prescribed drug is recognized as safe and effective for the treatment of a Sickness or Injury by one or more of the Standard Medical Reference Compendia or in the Medical Literature, even if the prescribed drug has not been approved by the FDA for the treatment of that specific Sickness or Injury, coverage will be provided, subject to the exclusions and limitations of the Policy;
6. Involves a service, supply or drug not considered reasonable and necessary by the Healthcare Financing Administration Medicare Coverage Issues Manual; or
7. Can be safely provided to the patient on a more cost-effective basis such as outpatient, by a different medical professional, or pursuant to a more conservative form of treatment.

Mental Disorder means nervous, emotional, and mental disease, illness, syndrome or dysfunction classified in the most recent addition of the Diagnostic and Statistical Manual of Mental Disorders (DSM IV) or its successor as a mental disorder on the date medical care or treatment is rendered to an Insured Person.

Pre-Existing Condition means Sickness or Injury for which medical care, treatment, diagnosis or advice was received or recommended within the six (6) consecutive months prior to the Insured's Effective Date of coverage under the Policy.

Preferred Allowance means the amount a network provider has agreed to accept as payment in full for Covered Charges.

(continued on page 18)

DEFINITIONS (continued from page 17)

Reasonable and Customary Expense (R&C) means the most common charge for similar professional services, drugs, procedures, devices, supplies or treatment within the area in which the charge is incurred, so long as those charges are reasonable. The most common charge means the lesser of:

1. The actual amount charged by the provider;
2. The negotiated rate, if any; or
3. The charge which would have been made by a provider of medical services for a comparable service or supply in the same geographic area, as reasonably determined by the Company.

Geographic area means the first three digits of the zip code in which the service, treatment, procedure, drugs or supplies are provided or a greater area, if necessary, to obtain a representative cross-section of charge for a like treatment, service, procedure, device, drug or supply.

Reasonable charges, fees or expenses as used herein to describe expense, will be considered to mean the percentile of the payment system in effect on the Effective Date of the Policy.

Sickness means illness, disease, pregnancy and complications of pregnancy. All related conditions and recurrent symptoms of the same or a similar condition will be considered the same sickness.

CLAIM PROCEDURE

In the event of Injury or Sickness:

1. Students, if at the College, should report at once to Student Health Services. In the case of an Emergency, students should go to St. Joseph Regional Medical Center or the nearest medical facility. Students seeking emergency care, without a referral from SHS, will be subject to the Policy Year Deductible, as well as the \$200 emergency room Copayment if not admitted, before the insurance will begin to pay benefits.
2. Students who are away from the College, and covered dependents, may choose any doctor or hospital, but *there is a lower coinsurance* for most services when provided by Doctors and Hospitals available through the PPO Networks.
3. If you go to a Doctor's office or Hospital, be sure to show your insurance identification card. If you have not received your permanent ID card in the mail, please contact Student Health Services to obtain your Member ID Number. You will use this Member ID Number along with the temporary ID card on the back of this brochure until you have received your permanent ID card from Renaissance Insurance Agency, Inc. Dependents covered under the plan do not receive separate ID cards and may use the insured student's ID card to obtain treatment. If the Doctor or Hospital needs to verify coverage for you or your dependents, they may call AmeriBen at **1-888-955-1561**.

You should carry your insurance ID card with you at all times.

Once treatment is received, SHS and most network (PPO) providers will submit the claim directly to AmeriBen for you. However, if the provider does not file the claim for you, you will be responsible for submitting the claim for reimbursement. In this case, follow these instructions:

1. After you receive treatment, complete the insurance company claim form.
 - a) You may download a claim form from **www.myameriben.com**.
 - b) Answer all the questions and be sure to sign the claim form before submitting it.
2. If you have any other expenses such as medicines, x-rays or laboratory charges, be sure to attach these bills to the claim form.
3. Send your claim form and all other bills or receipts to AmeriBen at the address below. Try to have all itemized bills attached to the same claim form.
 - a) Please do not send bills without completed claim form. Bills cannot be considered unless all the information required on the claim form is submitted.
 - b) A properly completed claim form must be submitted for each Injury or Sickness.

(continued on page 20)

CLAIM PROCEDURE (continued from page 19)

4. Claim forms and bills should be sent to:

AmeriBen
P.O. Box 6947
Boise, ID 83707-0947

Providers may submit claims electronically:
PAYER ID 75137

5. If you have questions about the status of your claim after it has been submitted, please call AmeriBen at **1-888-955-1561** (Monday–Friday, 7:00 a.m to 6:00 p.m.). You may also log on to **www.myameriben.com** to check on your claim status, view your Explanation of Benefits (EOB), access answers to frequently asked questions or submit inquiries by email directly to the AmeriBen Customer Care Center.

A claim must be submitted within 90 days after an Injury or Sickness has occurred in order for the claim to be paid.

You have the right to request an independent medical review if health care services have been improperly denied, modified, or delayed based on medical necessity.

Always keep a copy of all documents submitted for claims.

TRAVEL ASSISTANCE PROGRAM

The following is a detailed description of covered services included under the Travel Assistance Program provided to students and Dependents who are enrolled in the Student Health Insurance Plan (SHIP). The Travel Assistance Program is provided through Nationwide Life Insurance Company, in association with OnCall International.

All services must be provided by the Travel Assistance Program. Any expenses associated with these services are the insured student's responsibility except as provided herein. No claims for reimbursement will be accepted.

Coverage begins only when a covered participant is 100 miles or more from his or her primary residence or when in a foreign country, except as specified herein.

WORLDWIDE 24-HOUR EMERGENCY TRAVEL ASSISTANCE

If you are traveling and have an emergency, please contact the call center, OnCall International, available 24 hours a day, seven days a week:

Call from the United States or Canada: **1-866-525-1957**

Call collect from anywhere else in the world: **1-603-898-9159**

Email: **mail@oncallinternational.com**

EMERGENCY TRANSPORTATION SERVICES

Emergency Evacuation: If you suffer an Injury or Sickness and adequate medical facilities are not available locally in the opinion of the Travel Assistance Program's Medical Director, the Travel Assistance Program will provide emergency evacuation (under medical supervision, if necessary) by whatever means necessary to the nearest facility capable of providing adequate care. Services included arranging and paying for transportation and related medical services (including cost of medical escort, if necessary) and medical supplies necessarily incurred in connection with the emergency evacuation.

Medically Necessary Repatriation: After initial treatment and stabilization for an Injury or Sickness, if the attending Physician and the Travel Assistance Program's Medical Director deem it medically necessary, the Travel Assistance Program will transport you back to your permanent place of residence for further medical treatment or to recover. Services include arranging and paying for transportation and related medical services (including cost of medical escort, if necessary) and medical supplies necessarily incurred in connection with the repatriation.

Repatriation of Remains: In the event of your death, the Travel Assistance Program will render assistance and provide for the return of mortal remains. Services include arranging and paying for the following: location of a sending funeral home; transportation of the body from the site of death to the sending funeral home to the airport; minimally necessary casket or air tray for transport; coordination of consular services (in the case of death overseas); procuring death certificates; and transport of the remains from the airport to the receiving funeral home. Other services that might be performed in conjunction with those listed above include: making travel arrangements for any traveling companions; identification and/or notification of next-of-kin. Repatriation of Remains services are subject to a maximum coverage limit of \$25,000.

Visit by Family Member or Friend: If you are hospitalized for more than seven (7) days and are traveling alone, the Travel Assistance Program will arrange and provide your family member or friend with transportation to visit you. Visit by Family Member or Friend services are subject to a maximum coverage limit of \$5,000, to include one (1) round trip economy ticket, meals and reasonable accommodations up to a maximum of 10 days.

(continued on page 22)

TRAVEL ASSISTANCE (continued from page 21)

Return of Dependent Children: If you are hospitalized for more than seven (7) days, the Travel Assistance Program will arrange and pay for the return of your minor children who are under 19 years of age, and if necessary, accompany him or her with an attendant, up to a maximum coverage limit of \$5,000 per event.

Return of Traveling Companion: If your traveling companion loses previously made travel arrangements due to your medical emergency, the Travel Assistance Program will arrange and pay for your traveling companion's return home by the most direct and economical route, up to a maximum coverage limit of \$5,000 per event.

Assistance Services	Maximum Limit
Emergency Evacuation.....	Unlimited
Medically Necessary Repatriation	Unlimited
Repatriation of Remains	\$ 25,000
Visit by family member or friend	\$ 5,000
Return of Dependent Children.....	\$ 5,000
Return of Traveling Companion.....	\$ 5,000

MEDICAL ASSISTANCE SERVICES

Medical Referrals: The Travel Assistance Program will assist you in finding physicians, dentists, and medical facilities.

Medical Monitoring: During the course of a medical emergency, the Travel Assistance Program's professional case managers, including physicians and nurses, will make sure the appropriate level of care is maintained or determine if further intervention, medical transportation, or possibly repatriation (return to U.S.) is needed. The Travel Assistance Program will provide case notification, both foreign and domestic, between the patient, family, physician, employer, travel company, and consulate as needed. The Travel Assistance Program will continue to provide all necessary international claim coordination, to include hospital bill translation and interpretation, as needed.

Emergency Medical Payments: When it is necessary for you to obtain needed medical services, upon request, the Travel Assistance Program will advance in local currency, up to \$10,000 to cover on-site medical expenses. The advance of funds will be made to the medical provider after the Travel Assistance Program has secured funds from you or your family.

Replacement of Medication and Eyeglasses: The Travel Assistance Program will arrange to fill a prescription that has been lost, stolen, or requires a refill, subject to local law, whenever possible. The Travel Assistance Program will also arrange for shipment of replacement eyeglasses. Costs for shipping of medication or eyeglasses, or a prescription refill, etc. are your responsibility.

Hotel Convalescence Arrangements: The Travel Assistance Program can assist you with hotel arrangements if you or your companion needs to convalesce in a hotel prior to or following medical treatment.

Medical Insurance Assistance: The Travel Assistance Program can assist you by coordinating notifications to medical insurers or managed care organizations, verifying policy enrollment, confirming medical benefits coverage, guaranteeing medical payments, assisting in the coordination of multiple insurance benefits, and handling claims paperwork flow.

Prescription Drug Assistance: When permitted by law and approved by the patient's physicians, the Travel Assistance Program will assist you in obtaining prescription drugs and other necessary personal medical items that may have been forgotten, lost or depleted while traveling.

(continued on page 23)

TRAVEL ASSISTANCE (continued from page 22)**LEGAL ASSISTANCE**

Locating Legal Services: The Travel Assistance Program can assist in contacting a local attorney or the appropriate consular officer if you are arrested or detained, involved in an automobile accident, or otherwise need legal help. The Travel Assistance Program will maintain communications with you, your family, and employer until legal counsel has been retained by you.

Bail Bond Services: The Travel Assistance Program can assist in securing bail bond services in all available locations.

BAGGAGE ASSISTANCE

The Travel Assistance Program can assist you if your baggage is lost, stolen, or delayed while traveling on a common carrier. The Travel Assistance Program will advise you of the proper reporting procedures and will help you maintain contact with the appropriate companies or authorities to help resolve the problem.

EMERGENCY PAYMENT ASSISTANCE

The Travel Assistance Program can assist you in obtaining an advance of funds for medical expenses or other travel emergencies by coordinating directly with your family, or your credit card company, bank, employer, plan sponsor or other sources of credit.

PRE-TRIP ASSISTANCE

Pre-trip assistance is available at any time and is not subject to the 100-mile travel requirement.

Passport and Visa Information: The Travel Assistance Program can advise you of the required documentation to enter and depart foreign destinations.

Health Hazards Advisory: The Travel Assistance Program can provide you with up to date travel advisories.

Inoculation Requirements: Medical entry requirements can be provided to you prior to your departure.

Weather Information: The Travel Assistance Program maintains current information regarding weather conditions for both domestic and international travel destination. This information will be provided to you through the Travel Assistance Program Call Center.

Currency Exchange Information: The Travel Assistance Program can provide you with the daily currency exchange rate for a specified country.

Consulate and Embassy Locations: The Travel Assistance Program maintains a complete listing of consulates and embassies. These locations are accessible to you by calling the Travel Assistance Program Call Center.

Translation and Interpreter Services: Professional translators and interpreters can be reached 24-hours a day to obtain translation or interpreter assistance services during emergency situations while traveling internationally.

Travel Locator Service: You can contact the Travel Assistance Program Call Center 24 hours a day, seven (7) days a week, for assistance in locating hotels, airports, sports facilities, campgrounds, and tourist attractions.

EMERGENCY MESSAGE ASSISTANCE

The Travel Assistance Program can record emergency messages from you or emergency messages for you for 24-hour periods. These messages may be retrieved at anytime by you, your family, or business associates.

EMERGENCY CASH ASSISTANCE

The Travel Assistance Program can assist you with emergency cash up to \$500. Arrangements will be made through a friend, family member, business, or your credit card in the event of an emergency. All fees associated with the transfer or deliveries of funds are your responsibility.

(continued on page 24)

TRAVEL ASSISTANCE (continued from page 23)**EMERGENCY TICKET REPLACEMENT**

The Travel Assistance Program can assist you in replacing lost or stolen airline tickets.

EMERGENCY CARD REPLACEMENT

The Travel Assistance Program can assist you with emergency card replacement if you should experience a loss, theft, or damage to your credit card or membership card.

EXCLUSIONS AND LIMITATIONS

1. The Travel Assistance Program shall not provide services enumerated if the coverage is sought as a result of: a) involvement in any act of war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, and insurrection, military or usurped power; b) traveling against the advice of a Physician; traveling for the purpose of obtaining medical treatment; c) traveling in any country in which the U.S. State Department issued travel restrictions; d) the commission of or attempt to commit an unlawful act; e) mental or emotional disorders, unless hospitalized; f) participation as a professional in athletics; g) services provided for you for which no charge is normally made; or h) travel within 100 miles of your primary residence, unless in a foreign country.
2. The services described above currently are available in every country of the world. Due to political and other situations in certain areas of the world, the Travel Assistance Program may not be able to respond in the usual manner. It is your responsibility to inquire whether a country is "open" for assistance prior to your departure and during your stay. The Travel Assistance Program also reserves the right to suspend, curtail or limit its services in any area in the event of rebellion, riot, military uprising, war, terrorism, labor disturbance, strikes, nuclear accidents, acts of God or refusal of authorities to permit the Travel Assistance Program to fully provide services.
3. If you request a transport related to a condition that has not been deemed medically necessary by a physician designated by the Travel Assistance Program in consultation with a local attending physician or to any condition excluded hereunder, and you agree to be financially responsible for all expenses related to that transport, the Travel Assistance Program will arrange but not pay for such transport to a medical facility or to your residence and will make such arrangements using the same degree of care and completeness as if the Travel Assistance Program was providing service under this agreement. A waiver of liability will be required prior to arranging these transportation services.
4. The Travel Assistance Program shall not be responsible for any claim, damage, loss, costs, liability or expense which arises in whole or in part as a result of the Travel Assistance Program's inability to verify the participant's eligibility.

All transportation benefits provided hereunder must be by the most direct and economical route possible.

For the purposes of this Description of Covered Services, the following definitions shall apply: 1) "Injury" means identifiable injury caused by an Accident; 2) "Accident" means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place; 3) "Sickness" means a sickness of the participant declares itself during the period when services are available under this Agreement.

The Travel Assistance Program is not responsible and cannot be held liable for any malpractice performed by a local physician or attorney who is not an employee of the Travel Assistance Program, or for any loss or damage to your vehicle during the return of vehicle, or for any loss or damage to any personal belongings.

CERTIFICATION OF QUALIFYING HEALTH PLAN COVERAGE

If an Insured Person is no longer eligible to be insured under the plan, the Insured Person should request a Certification of Qualifying Health Plan Coverage from Renaissance Insurance Agency, Inc. This request can be made by phone or in writing. This request must include the name of the school and the name of each person who is no longer eligible to be insured under the plan.

AUTHORIZED REPRESENTATION

In accordance with state and federal rules and regulations, we will not disclose individual information without authorization. This includes disclosures to family members for insured individuals who have reached the age of majority.

If the Insured Person would like to authorize an additional party to act as a personal representative for matters pertaining to this insurance plan, we must have an Authorization Form on file. To request a form, please contact Renaissance Insurance Agency, Inc. at the address below or complete a form via the internet at: www.renstudent.com.

SUMMARY OF PRIVACY POLICY

We strongly believe in maintaining the confidentiality of the personal information we obtain and/or receive about Insured Persons and we are committed to protecting the privacy of Insured Persons. We do not disclose any nonpublic information about Insured Persons to anyone, except as permitted or required by law. We do not sell or otherwise disclose Insured Person's personal information to anyone for purposes unrelated to our products and services. We maintain physical, electronic and procedural safeguards that comply with federal and state regulations to protect information about Insured Persons from unauthorized disclosure. We may disclose any information we believe necessary to conduct our business as is legally required. Insured Persons have the right to access, review and correct all personal information collected. Insured Persons may review this Privacy Policy in its entirety, or the Privacy Policies of other entities servicing the Policy, by writing to the address or visiting the website shown below. Insured Persons may also submit a request, in writing, to review your information at the address below.

Renaissance Insurance Agency, Inc.
 Attention Privacy Manager
 P.O. Box 2300
 Santa Monica, CA 90407-2300
 Phone: 1-800-537-1777
 Facsimile: 1-310-394-0142
 Website: www.renstudent.com

NATIONWIDE LIFE HIPAA NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW PROTECTED HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

The terms of this Notice of Privacy Practices apply to Nationwide Life Insurance Company®, National Casualty Company, and the area within Nationwide Mutual Insurance Company® that performs healthcare functions. In this Notice, "Nationwide Life" or "We" means the healthcare functions of Nationwide Life Insurance Company, which is a hybrid covered entity (the healthcare functions of National Casualty Company, and Nationwide Mutual Insurance Company, a business associate). As permitted by law, Nationwide Life will share protected health information (PHI) of members as necessary to carry out treatment, payment, and healthcare operations.

We are required by HIPAA and certain state laws to maintain the privacy of our members' PHI and to provide members with notice of our legal duties and privacy practices with respect to their PHI. We are required to abide by the terms of this Notice so long as it remains in effect. We reserve the right to change the terms of this Notice of Privacy Practices as necessary and to make the new Notice effective for all PHI maintained by us. Copies of the revised notices will be mailed to all current plan members or insureds.

Protected health information (PHI) that is the subject of this Notice is information that is created or received by Nationwide; and relates to the past, present, or future physical or mental health or condition of a member; the provision of health care to a member; or the past, present, or future payment for the provision of health care to a member; and that identifies the member or for which there is a reasonable basis to believe the information can be used to identify the member. It includes information of persons living or deceased.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

Your Authorization. Except as outlined below, we will not use or disclose your PHI for any purpose unless you have signed a form authorizing the use or disclosure. You have the right to revoke that authorization in writing, unless we have taken any action in reliance on the authorization.

Other Uses and Disclosures. We are permitted or required by law to make certain other uses and disclosures of your PHI without your authorization. We may release your PHI for any purpose required by law. This may include releasing your PHI to law enforcement agencies; public health agencies; government oversight agencies; workers compensation; for government audits, investigations, or civil or criminal proceedings; for approved research programs; when ordered by a court or administrative agency; to the armed forces if you are a member of the military; and other similar disclosures we are required by law to make. We may release your PHI to your plan sponsor, provided your plan sponsor certifies that the information provided will be maintained in a confidential manner and not used in any other manner not permitted by law.

(continued on page 27)

HIPAA NOTICE (continued from page 26)

OTHER PRIVACY LAWS AND REGULATIONS

Certain other state and federal privacy laws and regulations may further restrict access to and uses and disclosures of your personal health information or provide you with additional rights to manage such information. If you have questions regarding these rights, please send a written request to your designated contact.

RIGHTS THAT YOU HAVE

Access to Your Protected Health Information. You have the right to copy and/or inspect much of the PHI that we retain on your behalf. All requests for access must be made in writing and signed by you or your personal representative. We may charge you a fee if you request a copy of the information. The amount of the fee will be indicated on the request form. A request form can be obtained by writing your designated contact.

Amendments to Your Protected Health Information. You have the right to request that the PHI that we maintain about you be amended or corrected. We are not obligated to make all requested Amendments but will give each request careful consideration. If the information is incorrect or incomplete and we decide to make an amendment or correction, we may also notify others who work with us and have copies of the uncorrected record if we believe that such notification is necessary. A request form can be obtained by writing to your designated contact.

Accounting for Disclosures of Your Protected Health Information. You have the right to receive an accounting of certain disclosures made by us of your PHI. Requests must be made in writing and signed by you or your personal representative. A request form can be obtained by writing your designated contact.

Restrictions on Use and Disclosure of Your Protected Health Information. You have the right to request restrictions on some of our uses and disclosures of your PHI. We are not required to agree to your restriction request. A request form can be obtained by writing your designated contact.

Disclosures for Treatment, Payment and Health Care Operations. We will make disclosures of your PHI as necessary for your treatment, payment, and/or health care operations. For instance, for your Treatment, a doctor or health facility involved in your care may request information we hold in order to make decisions about your care. For Payment, we may disclose your PHI to our pharmacy benefit manager for administration of your prescription drug benefit. For Health Care Operations, we will use and disclose your PHI as necessary, and as permitted by law, for our health care operations, which include responding to customer inquiries regarding benefits and claims.

Family and Friends Involved In Your Care. With your approval, we may from time to time disclose your PHI to designated family, friends, and others who are involved in your care or in payment for your care in order to facilitate that person's involvement in caring for you or paying for your care.

If you are unavailable, incapacitated, or facing an emergency medical situation, and we determine that a limited disclosure may be in your best interest, we may share limited PHI with such individuals without your approval.

(continued on page 28)

HIPAA NOTICE (continued from page 27)

Business Associates. Certain aspects and components of our services are performed through contracts with outside persons or organizations. At times it may be necessary for us to provide some of your PHI to one or more of these outside persons or organizations. In all cases, we require these business associates by contract to appropriately safeguard the privacy of your information.

Other Health-Related Products or Services. We may, from time to time, use your PHI to determine whether you might be interested in or benefit from treatment alternatives or other health-related programs, products, or services which may be available to you as a member of the health plan. For example, we may use your PHI to identify whether you have a particular illness, and advise you that a disease management program to help you manage your illness better is available to you. We will not use your information to communicate with you about products or services which are not health-related without your written permission.

Information Received Pre-enrollment. We may request and receive from you and your health care providers PHI either prior to your enrollment in the health plan or the issuance of your policy. We will use this information to determine whether you are eligible to enroll in the health plan and to determine your rates. We will protect the confidentiality of that information in the same manner as all other PHI we maintain and, if you do not enroll in the health plan we will not use or disclose the information about you we obtained without your authorization.

Communications With You. You have the right to request and we will accommodate reasonable requests by you to receive communications regarding your PHI information from us by alternative means or at alternative locations. A request form can be obtained by writing your designated contact.

Complaints. If you believe your privacy rights have been violated, you can file a written complaint with your designated contact as explained in the "Contact Information" section, below. You may also file a complaint with the Secretary of the U.S. Department of Health and Human Services, Office of Civil Rights, in writing within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

CONTACT INFORMATION

If you have any questions about this statement, need copies of any forms or require further assistance with any of the rights explained above, contact us by calling [1-888-955-1561](tel:1-888-955-1561), or mail your request to:

[Karen Maciejewski](#)
Privacy Officer
AmeriBen
3449 East Copper Point Drive
Meridian, ID 83642

As a member, you retain the right to obtain a paper copy of this Notice of Privacy Practices, even if you have requested such copy by e-mail or other electronic means.

EFFECTIVE DATE

This Nationwide Life HIPAA Notice of Privacy Practices is effective April 14, 2003.

SUBMIT CLAIMS ELECTRONICALLY: PAYER ID 75137

SUBMIT CLAIMS BY MAIL TO:

AmeriBen
P.O. Box 6947
Boise, ID 83707-0947
Toll-Free 1-888-955-1561
www.myameriben.com

NOTE: Benefits are subject to payment of appropriate premium and verification of eligibility.

EXPRESS SCRIPTS
Rx Group: RQSR
Rx Bin: 003858
Rx PCN: A4

On Call International (for travel assistance):
Toll-free from US or Canada: 1-866-525-1957
Or call collect, worldwide: 1-603-898-9159
www.oncallinternational.com

IMPORTANT INFORMATION

This brochure describes your benefits under the plan of insurance sponsored by your school. It is not a contract of insurance. Your coverage is governed by a policy of blanket injury and sickness insurance underwritten by Nationwide Life Insurance Company. As evidence of your coverage, a policy of insurance (Policy Number 302-081-1108) has been issued to your school which contains the benefits and provisions which apply to the plan of insurance sponsored by your school. Any discrepancy between this brochure and the policy will be governed by the policy. Please keep this brochure for future reference.

B/NSHSAS 2000 ID LCSC

Insurance Company:
Nationwide Life Insurance Company

Policy Number:
302-081-1108

For questions regarding benefits or claims:

AmeriBen
P.O. Box 6947
Boise, ID 83707-0947
Toll-Free 1-888-955-1561
www.myameriben.com

For questions regarding eligibility or enrollment:

Renaissance Insurance Agency, Inc.
P.O. Box 2300
Santa Monica, CA 90407-2300
1-800-537-1777

For travel assistance services 24/7, contact:

On Call International
From US or Canada: 1-866-525-1957
Collect from anywhere else in the world: 1-603-898-9159
Email: mail@oncallinternational.com

**To download additional plan materials or an FAQ,
or to enroll Dependents in the plan, please visit:**
www.renstudent.com/lcsc

TEMPORARY ID CARD—PLEASE DETACH AND RETAIN

**LEWIS-CLARK STATE COLLEGE
2010–2011 STUDENT HEALTH INSURANCE PLAN**

Insured Person

Member ID#

Underwritten by
NATIONWIDE LIFE INSURANCE COMPANY
Policy Number: 302-081-1108

There is a \$10 copay for office visits.

*Both the effective and termination dates of coverage
are subject to verification by the Company.*

PPO in ID: Idaho Physician's Network
www.ipnmd.com or 1-866-476-1076

PPO outside of ID: First Health Network
www.myfirsthealth.com or 1-800-225-5116



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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

SUBJECT

American Recovery and Reinvestment Act State Fiscal Stabilization Fund
Education Reform Assurances

BACKGROUND/DISCUSSION

The objective of the State Fiscal Stabilization Fund (SFSF) was to provide approximately \$48.6 billion to governors to help save jobs and drive education reform. The U.S. Department of Education awards SFSF in two phases. In Phase I, states submitted applications for approximately \$36 billion. In Phase II, states apply for the remaining roughly \$12.6 billion.

In Phase I applications, State governors were required to assure that their states would take action and make progress in four areas of education reform. Those four areas were:

- Adopting internationally benchmarked standards and assessments that prepare students for success in college and the workplace;
- Recruiting, developing and retaining effective teachers and principals;
- Building data systems that measure student success and inform teachers and principals how they can improve their practices; and
- Turning around our lowest-performing schools.

In Phase II applications, Governors are required to provide data in each of the four areas of reform. Additionally, the Phase II applications required further commitment to meet the 12 Data System Elements required in the America COMPETES Act (see attachment). The data required in the Phase II application is to be made available to educators and the public. While states were not required to make progress on the indicators in order to receive the Phase II funds, they were required to ensure that the information on a states' status to meeting the four assurances was made available. If a state could not provide the data, it was required to submit a plan for ensuring this information would be publicly reported as soon as possible, but no later than September 30, 2011.

In Idaho's Phase II application the state indicated that Idaho would meet several of the 12 Data System Elements through the Statewide Longitudinal Data Systems (SLDS) grant for which the Board submitted application in November 2009. The U.S. Department of Education indicated that those responses were not sufficient and they wanted a contingency plan for meeting these requirements with state funding in case new SLDS funds were not received. As a condition of meeting the 12 Data System Elements, Idaho must have, at a minimum, a P-16 statewide longitudinal data system in place by September 30, 2011.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

IMPACT

If Idaho does not receive the SLDS grant, there is the potential for significant fiscal impact to public schools and higher education. It is estimated that \$3.1 million would be needed to achieve the postsecondary elements of the assurances. In the current economic climate, this level of funding could likely only be found by reallocating appropriations, to the detriment of educational programming at all levels.

ATTACHMENTS

Attachment 1 – Summary of America COMPETES Act

Page 3

BOARD ACTION

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

America COMPETES Act

Required Data System Capabilities

1. Student progress and outcomes over time including preparation for postsecondary, workforce, and Armed Forces
2. Exchange of data among agencies and institutions within and across states
3. Link student data with teachers
4. Teacher certification and preparation information
5. Support continuous improvement and decision making including timely information to parents, teachers, and school leaders on student achievement
6. Data quality and integrity
7. Meet Federal reporting requirements

Required Data System Elements

1. Unique Student ID, not personally identifiable
2. Student-level enrollment, demographic, and program participation
3. Student-level information about points at which students exit, transfer, drop out, graduate P-16
4. Capacity to communicate with higher education systems
5. Data audit system, quality, validity, reliability
6. Yearly test records per ESEA
7. Information on students not tested, by grade, by subject
8. Teacher ID with ability to match teacher to student
9. Student-level transcripts, courses completed and grades
10. Student-level college readiness test scores
11. Student information regarding transition from secondary to postsecondary and remedial coursework in college.
12. Other information necessary to address alignment and preparation for success in postsecondary education.

Assurances Required to Accept State Fiscal Stabilization Funds

Assurances	Idaho–LEADS uses to address SFSF Assurances
Take actions to improve teacher effectiveness and distribution	Proposed Learning Management System will support provisioning of results-oriented curriculum, formative assessments, scope, sequence, and pacing guides to assist struggling teachers. Linkage of student results to teachers will support analysis of teacher effectiveness. Linkage of teachers to student assessments will assist in the analysis of teacher preparation programs. Linkage of teachers to student outcomes can be used to ensure equitable distribution of effective teachers and continuous improvement of instructional practices. Initiation of professional learning communities for teachers to share best practices.
Establish an SLDS	Idaho–LEADS will be a P-20 and workforce SLDS.
Enhance the quality of academic assessments	Idaho–LEADS will allow for multiple data points to examine correlation of current academic assessments to postsecondary attendance and postsecondary performance (including remedial course work), creating feedback loops and opportunity for continuous improvement, or adoption of other, more highly correlated assessments. Introduction of juried item bank formative assessments into classroom will allow for prediction of student success and modification of ESEA assessments to more accurately reflect student learning, or adjustment of curriculum for improved alignment with standards.
Comply with IDEA	Idaho–LEADS will allow the State to monitor progress of children with disabilities over time, create an “early warning system” utilizing formative assessments, and share formative information with parents and other stakeholders.
Take steps to improve academic standards	Proposed Learning Management System allows for the online management of academic standards and comparison of curriculum to assessment results to standards proficiency. It will also support correlation of curriculum, formative assessments, and academic standards for the continuous improvement of academic standards. Introduction of feedback loops between postsecondary and secondary institutions will support analysis of standards against success in postsecondary environment.
Support struggling schools	Idaho–LEADS will be used to identify schools in need or potentially in need for targeted assistance by trending formative as well as summative assessment data to measure and predict school performance. It also supports the sharing of best practices by identifying high-performing schools, capturing their instructional practices and communicating those practices to struggling schools. It also creates tools for parent involvement, a key component of turning around struggling schools.

IDAHO STATE UNIVERSITY

SUBJECT

Implementation of Proposed Academic Administrative Cost Reductions

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.G.4.b.1.

BACKGROUND/DISCUSSION

Idaho State University (ISU) has not positioned itself to be efficient in terms of allocation of resources because its colleges are so small.

Three main task forces were commissioned to address this issue. The three key objectives of these task forces were to:

1. Increase efficiency and streamline operations;
2. Enable ISU to emerge academically stronger;
3. Realize a financial savings.

The Task Force Chairs appointed a balanced mix of faculty members, including current or former department chairs, and current or former members of the Faculty Senate. A fourth task force examined overlapping issues. The 36 faculty on the 4 committees held 57 meetings, including 8 open forums. They worked from November, 2009 to February, 2010, working a total of 3,011 faculty hours, and submitted reports in February, 2010. The Provost then held a joint meeting, including the Faculty Senate Executive Committee, the Council of Deans, President of the Student Body, Chair of Staff Council, President's Faculty Advisory Council, and the Provost's Faculty Advisory Board to discuss the proposal. This was followed by a University-wide public forum held by the Provost. A video of the open forum was made available on a dedicated website, along with the Task Force reports, the proposed plan, and other documents. An email address was created to receive faculty and staff input, which was included in an overall continuing evaluation process to further refine the plan. At the same time, detailed analysis continued to evaluate the financial impact of the plan. The Provost then submitted the final plan to the President for approval.

The plan merges the Colleges of Pharmacy and Health Professions, creating a new Division of Health Sciences. It also merges the College of Engineering with the science departments of the current College of Arts and Sciences, to form a new College of Science and Engineering. The remaining departments in the existing College of Arts and Sciences are restructured into a College of Arts and Letters.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

The new structure will also facilitate more and better strategic planning and improved operational management. The new units will operate as performance centers, receiving a “balanced scorecard” of performance objectives at the beginning of a fiscal year, and then evaluated periodically on their performance against those objectives through the year. At the end of the year, resources can be reallocated among colleges, based on relative performance.

IMPACT

The new organizational structure will not impact college degrees and scheduling, but does provide lower administrative costs and more self-governance for the faculty. Among many other advantages it will provide to the faculty, it will reduce the range of faculty departmental commitments, create flexibility to implement a true variable course load, and provide research-productive faculty the time to do their work.

Nationally, a number of other universities have reorganized to achieve similar advantages.

Significant annual administrative cost reduction savings of about \$900,000 will be achieved from implementing this new structure. These potential savings are being included in ISU’s proposed FY2011 budget and were factored in when formulating its tuition and fees request.

In addition, these organizational changes will allow the University to better meet the needs of our students by streamlining curricular planning and delivery.

ATTACHMENTS

Attachment 1 - Moving Forward with Strength

Page 5

STAFF COMMENTS

This request involves both academic affairs and business affairs issues. The plan contemplates the consolidation of existing instructional programs by merging or restructuring colleges. Since the financial impact exceeds \$250,000, Policy requires Board approval prior to implementation. While this proposed reorganization was not forwarded to CAAP for its review and recommendation, the institution has kept Board members and Board staff apprised of the process and status.

The institution built a proposed FY 2011 budget which was predicated in part on a 9.9% increase in tuition and fees and the savings this plan is estimated to generate. Since the Board approved a tuition and fee request almost a full percentage point less than requested, savings from this plan become all the more important to help plug the hole in the institution’s budget.

Staff finds that based on representations made by the institution, the proposed plan is a positive response to the State’s financial circumstances whereby the

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 22, 2010

institution would implement specific cost containment and efficiency measures. These measures would enable the institution to focus and preserve its core instructional mission in a time of diminishing state funding. Staff recommends approval.

BOARD ACTION

A motion to waive Board Policy III.G.5.a., Board Approval Procedures, and to approve the request by Idaho State University to proceed with implementation of the proposed Administrative Cost Reductions to be fully effective Fall Semester, 2010.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Moving Forward with Strength:
Idaho State University
Proposed Campus Reorganization



Office of Academic Affairs
April 5, 2010

Executive Summary of Reorganization

The proposed reorganization for Idaho State University has as its primary goal to increase efficiency and streamline operations and to enable Idaho State University to emerge from a period of fiscally challenging times academically *stronger*, not weaker, than it had begun; and if possible, to realize a financial savings that could be applied to the state's substantial and ongoing budget cuts of higher education. In the final plan, the university will reorganize from 7 colleges to 5 colleges and a Division for Health Sciences. The five colleges include: College of Science and Engineering, College of Arts and Letters, College of Education, College of Business, and College of Technology. The Division of Health Sciences will raise the visibility of the health sciences mission at Idaho State. It will be comprised of reorganized units formerly part of the College of Pharmacy and Kaska College of Health Professions. The new College of Arts and Letters will contain the departments from the Fine Arts and Humanities, and the Behavioral and Social Sciences, formerly of the College of Arts and Sciences. The new College of Science and Engineering will be comprised of science departments, formerly from the College of Arts and Sciences, and the department of Engineering, formerly the College of Engineering.

Each college will be headed by a dean, or executive dean in the case of the Division of Health Sciences, who is the chief academic and research officer. In the new structure, the dean governs in conjunction with an executive committee. The dean's leadership team will consist of department chairs and associate deans, where appropriate. The executive committee will serve as the main faculty governance body at the college level, underscoring the importance of shared governance at all levels throughout the entire university.

CONTENTS

Introduction	4
The Task Forces	5
Task Force on Pharmacy and Health Professions	
Task Force on Science and Engineering	
Task Force on Arts, Humanities, Social Sciences, and Education	
Cross Area Concerns Task Force	
Faculty Time Investment	7
Pharmacy and Health Professions	
Science and Engineering	
Arts, Humanities, Social Sciences, and Education	
Crossover Areas	
Joint Task Force Totals	
The Process	9
Discussion	10
The Plan	13
Deans/Executive Dean (Division of Health Sciences)	
Executive Committees	
Department Chairs/Program Directors (Division of Health Sciences)	
Pharmacy and Health Professions	14
Science and Engineering	15
Arts, Humanities, Social Sciences, and Education	17
The President's Eleven Questions.	18
Implementation	19
Appendices	
Appendix A: Pharmacy and Health Professions	
Appendix B: Science and Engineering	
Appendix C: Arts, Humanities, Social Sciences, and Education	

INTRODUCTION

On November 4, 2009, President Arthur Vailas announced at a public forum of all university personnel that he would direct the Provost to form at least three task forces to consider potential consolidation of academic units within Academic Affairs. The task forces were to examine possible reorganizations of three clusters of units: 1) the College of Pharmacy and the Kasiska College of Health Professions; 2) the College of Engineering and the disciplines in the sciences; and 3) the College of Education and the College of Arts and Sciences absent the disciplines in the sciences.

The objective of this exercise was threefold: to reorganize units in such a way as to increase efficiency and streamline operations; to enable Idaho State University to emerge from a period of fiscally challenging times academically *stronger*, not weaker, than it had begun; and, if possible, to realize a financial savings that could be applied to the state's substantial and ongoing budget cuts of higher education.

The President announced that the groups were to answer a series of eleven questions about any proposed reorganization plan:

- Does reorganization have the potential to facilitate research and instructional collaborations?
- Does reorganization have the potential to enhance faculty's role in shared governance at the College and program levels?
- Does reorganization have the potential to reduce demands on faculty time for committee and other service responsibilities?
- Does reorganization have the potential to help distribute workload across disciplines, providing more opportunities for reduced workloads for research and other commitments?
- Does reorganization have the potential to enable streamlining of programming by reducing redundant course offerings?
- Does reorganization have the potential to address understaffing in smaller departments?
- Does reorganization have the potential to enhance patient care in the health professions (due to centralization of clinics)?

- Does reorganization have the potential to increase flow of communication between faculty and central administration by reducing cumbersome administrative layers?
- Does reorganization have the potential to broaden use of available resources across larger units?
- Does reorganization have the potential to facilitate long-term strategic growth?
- Does the reorganization have the potential to save faculty lines, facilitate maintenance of faculty salaries and positions, and facilitate growth of faculty salaries?

The President requested that the Provost submit a report outlining a reorganization plan if such a plan were deemed feasible and desirable.

THE TASK FORCES

Provost Gary Olson appointed chairs of three task forces, and later a fourth, and charged the chairs with selecting committees of no more than a dozen faculty from the affected areas who would engage in an open and transparent process of assessing potential consolidations. Each group was to hold at least one open forum to solicit input from faculty and staff. Each task force was to appoint liaisons to the other task forces so as to facilitate inter-committee communication. The task forces were to have broad latitude in how they conducted their business and in what they examined and why.

Each of the chairs attempted to appoint a balanced range of faculty members to the committee, including current or former department chairs and Faculty Senate members.

The following are the members of the three original task forces:

Task Force on Pharmacy and Health Professions

Linda Hatzenbuehler, chair
Carol Ashton, School of Nursing
Paul Cady, College of Pharmacy
Tracy Farnsworth, Health Care Administration
Steve Feit, Counseling
Kathleen Hodges, Dental Hygiene
Jim Lai, Biomedical and Pharmaceutical Sciences
Galen Louis, Public Health (Meridian)
Catherine Oliphant, Pharmacy Practice and Administration (Meridian)
Chris Owens, Pharmaceutical Practice and Administrative Sciences
Neill Piland, Institute of Rural Health
Tony Seikel, Communication Sciences & Disorders and Education of Deaf (CSED)
Timothy Hunt, Biomedical and Pharmaceutical Sciences

Task Force on Science and Engineering

Pamela Crowell, Research, co-chair
Steve Adkison, Academic Affairs, co-chair
Daniel Ames, Geosciences
Richard Brey, Physics
Dring Crowell, Biological Sciences
Arya Ebrahimpour, Civil Engineering
Nancy Glenn, Geosciences
Robert Holman, Chemistry
Alan Hunt, Physics
George Imel, Nuclear Engineering
Hossein Mousavinezhad, Electrical Engineering
Tracy Payne, Math
Kenneth Rodnick, Biological Sciences

Task Force on Arts, Humanities, Social Sciences, and Education

Kandi Turley-Ames, chair
David Adler, Political Science
Karen Appleby, Sport Science and Physical Education
Sherri Dienstfrey, Theater and Dance
Thom Hasenpflug, Music
Susan Jenkins, Educational Foundations
Nancy Legge, Communication and Rhetorical Studies
Herb Maschner, Anthropology
Jack Newsome, Educational Foundations
Thomas Terry, Mass Communications
Curtis Whitaker, English and Philosophy
Laura Woodworth-Ney, History
Maria Wong, Psychology

On January 7, 2010, Provost Olson constituted a fourth task force to consider any reorganization issues that do not fall within the immediate purview of the three ongoing task forces. For example, a group of faculty had recently circulated a letter recommending a number of cost-saving actions, such as the possibility of shifting oversight of graduate education from the Graduate School to Academic Affairs and control over graduate curriculum back to the individual colleges. This task force was given complete freedom to consider whatever topics they chose. It was chaired by Barbara Adamcik and included the chairs of the three other task forces, the chair of Faculty Senate, and a number of unit heads:

Cross Area Concerns Task Force

Barbara Adamcik, chair
Pamela Crowell, task force chair
Steve Adkison, task force chair
Linda Hatzenbuehler, task force chair

Kandi Turley-Ames, task force chair
Alan Frantz, faculty senate
Kay Flowers, library
Tom Jackson, graduate school
Ken Smith, business
Paul Cady, pharmacy
Lyle Castle, Idaho Falls campus

The task forces were asked to submit final reports to the Provost by Friday, February 5. Combined, the task forces held 57 meetings, 8 of which were public forums. Staff as well as faculty were invited to all public forums, and several provided feedback directly to the task forces.

FACULTY TIME INVESTMENT

The task forces took their charge seriously: together the 36 faculty on the four committees spent an impressive 3,011.28 hours of faculty time on reorganization-related meetings. The following is an accounting of faculty time by task force.

Pharmacy and Health Professions

The Task Force on Pharmacy and the Health Professions held 24 meetings: 11 official meetings (4 in November, 2 in December, 5 in January); 4 public forums (3 in December, 1 in January), and 9 subcommittee and constituency meetings (2 in November, 3 in December, 4 in January) for a total of 966 faculty hours. Below is an accounting of those hours:

- 2 hrs average per meeting = 48 hrs per person
- 48 hrs x 12 members = 576 hrs
- 45 hrs x 1 task force chair = 45 hrs

TOTAL HRS IN MEETINGS: 621

- 25 hrs per person outside of meetings for research and discussions
- 25 hrs x 13 members (includes chair) = 325 total hrs of research
- 8 meetings of other task forces attended by liaison
- 8 meetings x 2.5 hours = 20 hrs meetings in other task forces

TOTAL FACULTY HRS: 966

Science and Engineering

The task force on Science and Engineering held 9 meetings: 7 official meetings (2 in November, 3 in December, 2 in January) and 2 public forums (2 in January) for a total of 571.5 faculty hours. Below is an accounting of those hours:

- 1.75 hrs average per meeting = 15.75 hours per person
- 15.75 hrs x 10 members = 157.5 hrs
- 45 hrs x 2 task force co-chairs = 90 hrs

TOTAL FACULTY HRS IN MEETINGS: 247.5

- 25 hrs per person outside of meetings for research and discussions
- 25 hrs x 12 members (includes co-chairs) = 300 total hrs of research
- 12 meetings of other task forces attended by liaison
- 12 meetings x 2 hours = 24 hours meetings in other task forces

TOTAL FACULTY HRS: 571.5

Arts, Humanities, Social Sciences, and Education

The Arts, Humanities, Social Sciences, and Education Task Force held 18 meetings: 16 official meetings (3 in November, 6 in December, 5 in January, 2 in February) and 2 open forums (2 in January) for a total of 918 faculty hours. Below is an accounting of those hours:

- 2.5 hrs average per meeting = 45 hrs per person
- 45 x 12 members = 540 hrs
- 47 x 1 task force chair = 47 hrs

TOTAL FACULTY HRS IN MEETINGS: 587

- 25 hours per person outside of meetings for research and discussions
- 25 hrs x 13 members (includes chair) = 325 total hrs of research
- 4 meetings of other task forces attended by liaison
- 4 meetings x 1.5 hrs = 6 hrs meetings in other task forces

TOTAL FACULTY HRS: 918

Crossover Areas

The Crossover Areas task force has held 6 meetings to date (and likely will hold one more): 7 official meetings (3 in January, 4 in February) for a total of 555.78 faculty hours. Below is an accounting of those hours:

- 3.33 hrs average per meeting = 19.98 hrs per person
- 19.98 hrs x 11 members = 219.78 hrs
- 20 hrs x 1 task force chair = 20 hrs

TOTAL FACULTY HRS IN MEETINGS = 239.78

- 25 hrs per person outside of meetings for research and discussion
- 25 hrs x 12 members (includes chair) = 300 total hrs of research
- 1 hr per person for focus group attendees
- 1 hr x 16 attendees = 16 hrs for focus groups

TOTAL FACULTY HRS = 555.78

Joint Task Force Totals

Combined, all four task forces held 58 meetings: 50 official meetings (11 in November, 14 in December, 19 in January 2010, 6 in February) and 8 open forums (3 in December, 5 in January) for a total 3,011.28 faculty hours. Below is an accounting of those hours:

TOTAL HOURS OF RESEARCH AND DISCUSSION: 1,250

TOTAL FACULTY HOURS: 3,011.28

THE PROCESS

The task forces worked diligently from November to February. They submitted their reports in the first week of February. The Provost analyzed the reports, weighing the recommendations and institutional needs, and synthesized from them a balanced and unified campus plan. He then called a joint meeting of the Faculty Senate Executive Committee, the Council of Deans, the President of the Student body, the Chair of Staff Council, the members of the President's Faculty Advisory Council, and the members of the Provost's Faculty Advisory Board. At the meeting, he presented the proposed plan and solicited advice, suggestions, and input. The Provost then sponsored a University-wide forum to unveil the campus reorganization draft plan and solicit advice and foster dialogue. The forum was televised to the Meridian campus for all resident faculty.

The Office of Academic Affairs created a dedicated campus reorganization website that contained the task force reports and other documents so that all campus constituents would have access to all relevant information, including a video of the open forum for those who were unable to attend. The website address is <http://www.isu.edu/acadaff/organization/>. The Office of Academic Affairs also made available a dedicated email address so that faculty and staff could provide input on the proposed plan: provost@isu.edu.

Faculty and staff were encouraged to provide input to the proposed plan by the close of business on February 19, 2010. Given the quality of the input and a need for time to carefully consider all feedback, President Vailas extended the deadline for the Provost's recommendation. In a letter dated February 26, 2010, the Provost invited faculty, staff, and students to provide additional input, including specific thoughts about a school structure in the College of Science and Engineering. All told nearly 70 responses were received, many with thoughtful, constructive feedback. All feedback was carefully considered and a number of substantive changes in response to feedback and task force recommendations were incorporated into the final report. These changes include: leaving the College of Education as a separate college, structuring the College of Science and Engineering to be more consistent with task force recommendation, eliminating the school structure in Arts and Letters, including the Office of Medical and Oral Health as a separate unit on par with other schools in the Division for Health Sciences, and recognizing the critical role of Chairs in College of Science and Engineering and College of Arts and Letters. This version of the report reflects feedback and input received from various entities and individuals across campus, including the work of the task forces.

DISCUSSION

In order to achieve its goal of moving forward as a strong doctoral research university, ISU will need to make adjustments in its structure. Currently, its departments and colleges are small by most measures, and this adversely affects such things as faculty workload and related inter-administrative communication. The smaller the aggregate across which workload must be managed, the more difficult it is for units to adjust workload in order to lighten loads for research-productive faculty.

As an illustration, consider the size of our colleges by tenure-track faculty in comparison to those of our peers. In comparison to ISU's institutional peers, the College of Arts and Sciences has fewer tenured and tenure-track faculty members with the exception of North Dakota State University. The Arts and Sciences colleges in several of our peer institutions are substantially larger.

Comparison of College of Arts & Sciences to Like Colleges in Peer Institutions

Institutions	College(s) used in comparison	No. Faculty
Idaho State University	College of Arts & Sciences	190
Montana State University	College of Letters and Science / College of Arts & Architecture	289.9
North Dakota State University	College of Arts & Sciences / College of Science and Mathematics	185
Northern Arizona University	College of Arts and Letters / College of Social & Behavioral Sciences	334
*Kent State University	College of Arts and Sciences/ College of Architecture and Environmental Design/College of Arts	388
University of Montana	College of Arts & Sciences	236
University of Nevada-Reno	College of Liberal Arts/College of Science	343
University of Wyoming	College of Arts & Sciences	267
Wichita State University	College of Liberal Arts & Sciences/College of Fine Arts	251
*Note: Kent State University's College of Communication and Information was not used in the comparison. College includes schools of Communication Studies, Journalism and Mass Communication, Library and Information Science, and Visual Communication Design		

Similarly, the number of tenured and tenure-track faculty in the College of Education at ISU's peer institutions is significantly greater, with the exception of one institution: the University of Montana.

Comparison of College of Education to Like Colleges in Peer Institutions

Institutions	College(s) used in comparison	No. Faculty
Idaho State University	College of Education	34
Montana State University	College of Education and Health and Human Development	55.7
North Dakota State University	College of Human Development and Education	53
Northern Arizona University	College of Education	118
Kent State University	College of Education, Health & Human Services	130
University of Montana	College of Education and Human Sciences	35
University of Nevada-Reno	College of Education	48
University of Wyoming	College of Education	58
Wichita State University	College of Education	42

In the case of the College of Engineering, all of ISU's peer institutions with engineering programs are more than double the size of ISU's program. If we look only at institutions that are similar in terms of enrollment—namely, Montana State University, North Dakota State University, University of Wyoming, and Wichita State University—the number of tenured and tenure-track faculty are twice to four times the size of ISU's engineering faculty.

Comparison of College of Engineering to Like Colleges in Peer Institutions

Institutions	College(s) used in comparison	No. Faculty
Idaho State University	College of Engineering	20
Montana State University	College of Engineering	75.3
North Dakota State University	College of Engineering	82
Northern Arizona University	College of Engineering, Forestry, and Natural Sciences	191
Kent State University	*no engineering program	0
University of Montana	*no engineering program	0
University of Nevada-Reno	College of Engineering	68
University of Wyoming	College of Engineering	78
Wichita State University	College of Engineering	42

Comparison of Peer Institutions by Enrollment

Institutions	Fall 2009 Enrollment (census day)
Idaho State University	13,493
Montana State University	12,369
North Dakota State University	14,189
Northern Arizona University	23,600
Kent State University	38,457
University of Montana	14,921
University of Nevada-Reno	16,862
University of Wyoming	13,476
Wichita State University	14,823

These data demonstrate that ISU has not positioned itself to be efficient in terms of allocation of resources, including human capital. If we are to protect our programs and our faculty, we must reorganize in a manner that allows us to meet all of our professional obligations. First and foremost, we must meet the needs of our students through the most efficient and effective employment of our core faculty. Then, if we are to meet our aspirations of obtaining “research high” status, ISU must find ways to give faculty and students the time they need to be productive scholars and efficient teachers.

Further, if we as an institution are to become self-sustaining and impervious to state budget fluctuations, and if we are going to operate more like the doctoral research university that we are, as classified by the Carnegie Foundation for the Advancement of Teaching, we need to become more streamlined. We need to reduce the range of faculty departmental commitments—both curricular and service—so that we have the flexibility to implement a true variable course load in which research-productive faculty are afforded the time to do their work and so that we can best serve our students’ academic needs.

The proposed administrative reorganizations will help us achieve those goals. For example, if several departments within a college are teaching courses that cover the same content (Research Methods, for example), we can consolidate teaching efforts without loss of student credit hours and free some faculty members to engage in greater research endeavors. In terms of service, departments with few junior/senior faculty members and/or few male/female faculty can draw upon colleagues in the college for the formation of critical committees. This will prevent individual faculty members from being tapped for service to a greater extent than other faculty members.

Even more importantly, the proposed reorganizations will offer faculty in all program areas greater opportunity for interdisciplinary and cross-disciplinary collaborations. Opportunities for joint faculty appointments should reflect the same research synergies

that are driving cutting-edge research and emerging funding opportunities from both governmental and private funding sources. These reorganizations will facilitate both the creation and the support of such joint appointments. Similarly, the reallocation of faculty workload in terms of departmental service will enable faculty to invest significantly more time in developing both their individual research agendas as well as larger-scale collaborative projects. The larger result should offer our faculty a level of opportunity and research vitality that our current structures often make difficult to initiate and to maintain.

Universities across the nation are considering implementing or have recently implemented academic reorganizations. Most recently, the University of Idaho announced its plans to reorganize the College of Natural Resources, reducing the number of departments from five to three. On January 14, the University of Northern Iowa announced the first in a series of campus reorganizations, and recently a reorganization task force at the University of Massachusetts at Amherst recommended a number of college-level reorganizations. In the last few months, Eastern Washington University reorganized its colleges from six to four. Other institutions, including Colorado State University and University of Arkansas, have reorganized. Arizona State University recently announced its second reorganization within a six-month period.

As with ISU's plan, the general goal of many of these reorganizations center on streamlining administrative infrastructures and processes to become more efficient and more effective. This streamlining will enable our institution to function more flexibly and more nimbly in challenging economic times, specifically in the face of decreasing state support. These administrative changes will further buttress our shared commitment both to protect and to empower ISU's core faculty. To sum up, although the projected savings from the proposed reorganization will be approximately 1 million dollars—a healthy piece of our reduction obligations to the state—most importantly, this reorganization is a way for us as an institution to cut strategically, as opposed to across the board cuts, in our give back to the state. As result, ISU will come out of the budget cuts better and stronger as an institution.

THE PLAN

Deans/Executive Dean (Division of Health Sciences)

Each college will be headed by a dean, who is the chief academic and research officer as well as chief executive officer of the college and oversees all personnel and curricular concerns. In the new structure, the dean governs in conjunction with an executive committee. The dean will have primary responsibility for strategic planning and policy development, advocacy, fundraising, budget accountability, facilities, and external relations. The dean's leadership team will consist of department chairs and two associate deans for the College of Arts and Letters, department chairs for the College of Science and Engineering, and associate deans and the dean of pharmacy for the Division of Health Sciences. As such, the dean of each college will work collaboratively with its leadership team.

Executive Committees

Each college on campus, with the exception of the College of Technology, will establish an executive committee. The composition of the executive committee may vary across colleges, depending on the needs of the specific college. In all cases, the executive committee will consist of at least as many faculty as administrators. This committee will advise the dean on important college-level matters. The committee will serve as the main faculty governance body at the college level, underscoring the importance of shared governance at all levels throughout the entire university. The department chairs, as departmental-level administrators, will also play a substantive role on the executive committee.

Department Chairs/Program Directors (Division of Health Sciences)

Department chairs will report directly to and serve at the pleasure of the dean. As has been the case at ISU, chairs will work in the best interest of their departments, and chairs/program directors will continue to oversee curriculum, scheduling, hiring, personnel issues, annual evaluations, tenure and promotion, student concerns, and local accounts at the department level. Department chairs will work with the dean of their college to streamline these activities college wide. Most chairs will serve on 9-month faculty contract and will be compensated by course release and/or workload reassignment and stipend, where appropriate. Some departments may need to employ chairs on longer than 9-month contracts given the unique situation of their disciplines and/or accreditation, most notably in the health professions. These assignments will be addressed by the dean of each college.

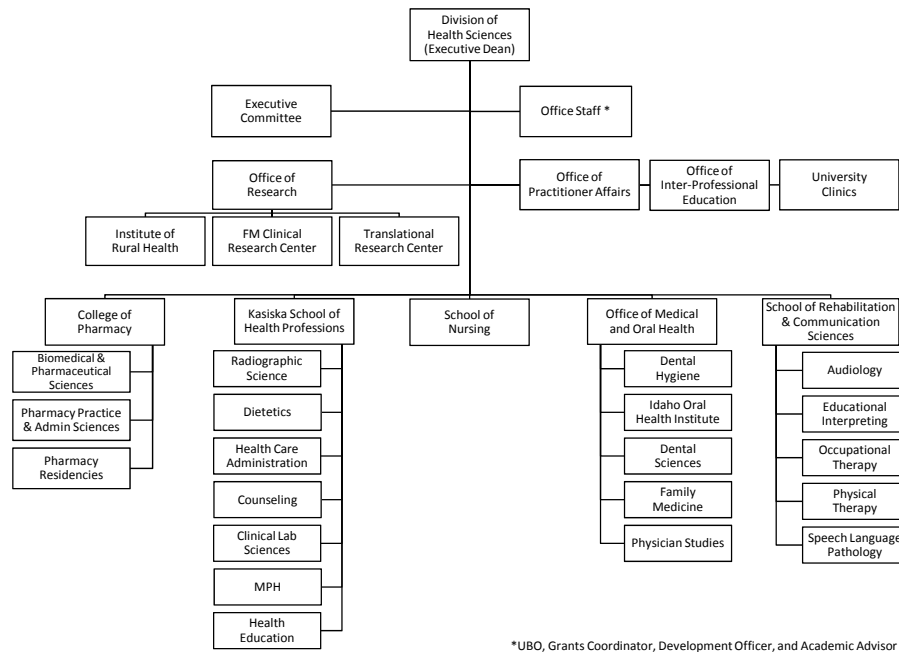
PHARMACY AND HEALTH PROFESSIONS

The Provost began college-wide discussions about the possibility of forming a College of Pharmacy and Health Sciences two months prior to the President's call for reorganization task forces. As a result, these two units were well into discussions about merger when the task forces were constituted. The task force for pharmacy and health professions submitted its report on February 3, 2010. The task force recommends creating a Division of Health Sciences headed by an executive dean. The division would comprise a College of Pharmacy, School of Nursing, School of Rehabilitation and Communication Sciences, Office of Medical and Oral Health, and the Kasiska School of Health Professions.

Early in the process, this task force developed the following six goals: strengthen ISU's health mission, streamline administrative structures and procedures, maintain core faculty positions and accreditation status, decrease curricular overlap, increase research and opportunities for collaborative research and practice opportunities, and save money and increase revenue. As the redesign scheme unfolded, this task force developed five subcommittees to work on various aspects of the redesign, including issues pertaining to transition, curriculum, clinics, translational research, and outcomes. The work of the subcommittees remains ongoing.

The Provost has accepted the proposed model as put forth in the task force report.
The following organizational chart depicts the model:

Division of Health Sciences Organizational Chart



SCIENCE AND ENGINEERING

The task force for science and engineering examined the possibility of combining the College of Engineering and the departments of science within the College of Arts and Science into one College of Science and Engineering. The task force submitted its report on February 1, 2010. The task force presented a number of recommendations, including conducting thorough program reviews; conducting a nationwide search for a founding dean; forming an executive committee as soon as possible; sharing staff across the college; maintaining departmental structure; ensuring that tenure, promotion, and annual review begin at the departmental level; and developing faculty-sponsored, college-wide research colloquia to promote interdisciplinary interactions and research projects. The Provost accepts all of these recommendations.

The task force felt that it would be best if reorganization occurred after program review had been conducted; however, the Provost strongly believes that program review could proceed simultaneously with, and would likely enhance, reorganization efforts. The task force also felt that the initiation of the reorganization should follow the hiring of a founding dean; however, the Provost believes that initial reorganization efforts should proceed immediately, given both the reorganization efforts in the other colleges and the

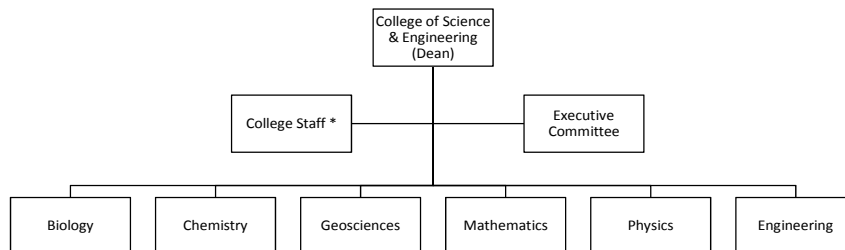
institution's pressing short-term need to meet fiscal challenges. Nonetheless, the Provost remains committed to initiating a search immediately so that a founding dean could take over from the interim dean as soon as possible.

The task force identified four key values that they wished to highlight as important to science: data-driven decision-making; commitment to research and teaching (graduate and undergraduate); faculty review by peers within the discipline; and maintaining accreditation of healthy academic programs. The Provost fully endorses these values as important not only for science and engineering but for all academic programs within the University.

The report from the task force recommends combining Physics and Nuclear Engineering. Once a permanent dean has been hired, the dean and his or her executive committee can decide whether or not to combine Physics and Nuclear Engineering and whether to make any other program and/or curricular changes for the benefit of the college. The Provost recommends that all current Engineering programs be housed in a department or school of Engineering.

The following organizational chart depicts the Provost's proposed organization based upon the task force recommendation and the input from faculty, staff, and students:

College of Science and Engineering Organizational Chart



*UBO, Grants Coordinator, Development Officer, and Academic Advisor

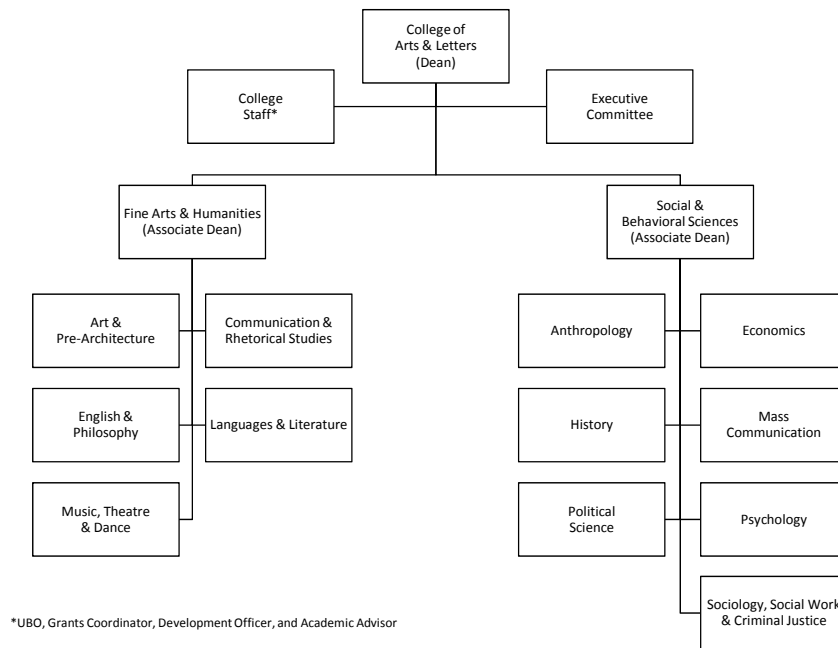
ARTS, HUMANITIES, SOCIAL SCIENCES, AND EDUCATION

The task force for arts, humanities, social sciences, and education submitted its report on February 4, 2010. The task force recommends creating a College of Arts and Letters headed by a dean with the assistance of a strong executive committee. It further recommends that the college would be comprised of the fine arts and humanities and the social and behavioral sciences.

Early in the process, this task force developed the following four outcome goals: increase research creative and scholarly activities within the new college; increase efficiency and streamlining among aggregates; recruit and retain faculty and students; and increase opportunities for collaboration among aggregates. The model put forth by the task force, and as noted in their report, has five primary strengths including preservation of core faculty and chairs, promotion of a community of scholars, enhancement of faculty governance, streamlined administrative structure, and enhancement of curricular flexibility and student opportunities.

After thoughtful consideration of the task force report and input received during the comment period, the Provost proposes a College of Arts and Letters headed by a dean, two associate deans, and a strong executive committee. The two associate deans will assist the dean with the daily operations of the college. Department chairs will work collaboratively with the dean and associated deans. The college will comprise twelve departments. Five departments will represent the Fine Arts and Humanities: Art and Pre-Architecture, Communications and Rhetorical Studies, English and Philosophy, Languages and Literatures, and the School for the Performing Arts (Music, Theater, and Dance). Seven departments will represent the Social and Behavioral Sciences: Anthropology, Economics, History, Mass Communication, Political Science, Psychology, and Sociology, Social Work, and Criminal Justice. Thus, the Provost recommends the following organizational structure:

College of Arts and Letters Organizational Chart



The task force was concerned that, absent the hard sciences, the new college's fiscal resources might not reflect the foundational role that the college's programs play in all of the other colleges across the university. The Provost acknowledges this concern and understands that adequate funding will need to be provided for the college to fulfill its general education and other obligations.

THE PRESIDENT'S ELEVEN QUESTIONS

The task forces reported that the proposed structures by and large answered the President's eleven questions in the affirmative. That is, the new structures have the potential to facilitate research and instructional collaborations; have the potential to enhance faculty's role in shared governance at the College and program levels; have the potential to reduce demands on faculty time for committee and other service responsibilities; have the potential to help distribute workload across disciplines, providing more opportunities for reduced workloads for research and other commitments; have the potential to enable streamlining of programming by reducing redundant course offerings; have the potential to address understaffing in smaller departments; have the potential to enhance patient care in the health professions (due to centralization of clinics); have the potential to increase flow of communication between faculty and central administration by reducing cumbersome administrative layers; have the potential to broaden use of available resources across larger units; have the potential to facilitate

long-term strategic growth; and have the potential to save faculty lines, facilitate maintenance of faculty salaries and positions, and facilitate growth of faculty salaries.

IMPLEMENTATION

Were President Vailas to accept the reorganization plan or a version of it, many details will still need to be worked out and will be worked out over time. For example, each college will need to determine how staff positions may be realigned and reallocated. Input from faculty, staff, and students would be desirable. Because it began its work well before the other task forces, the Division of Health Sciences task force is quite advanced in its plan for implementation and could feasibly transition immediately.

Once new colleges have been established, the Provost fully expects that there will be a number of additional changes that will be necessary to meet the needs of the individual units and the college as a whole. For instance, a given college may reconsider the exact composition of the college executive committee.

Upon acceptance of this or another reorganization plan by the President, the Provost will immediately solicit input from the faculty and then appoint interim founding deans.

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