

1. Agenda Approval

Changes or additions to the agenda

A motion to approve the agenda as posted.

2. Minutes Approval

BOARD ACTION

A motion to approve the minutes from the April 5, 2010 Special Fee Setting meeting, the April 21-22, 2010 Regular Board meeting and the April 27, 2010 Special Meeting minutes as submitted.

3. Rolling Calendar

BOARD ACTION

A motion to set May 18-19, 2011 as the date and Boise, Idaho as the location for the 2011 Board Retreat and to set June 22-23, 2011 as the date and the College of Western Idaho as the location for the June 2011 regularly scheduled Board meeting.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
April 5, 2010
Idaho State Capitol
Senate/House Auditorium
Boise, Idaho**

A special meeting of the State Board of Education was held on April 5, 2010 at the State Capitol Building in Boise, Idaho, to consider FY 2011 Student Tuition and Fee Rates.

Present:

Paul Agidius, President
Ken Edmunds, Secretary
Don Soltman

Richard Westerberg, Vice President
Emma Atchley
Milford Terrell

Rod Lewis
Superintendent

Tom Luna, State

The Board meeting was called to order at 8:30 a.m. by Board President Paul Agidius.

BOARDWORK

1. Agenda Approval

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

OPEN FORUM – Delayed until later in the agenda.

BUSINESS AFFAIRS AND HUMAN RESOURCES – Section II – Finance

1. Overview – Student Tuition and Fee Rates (Academic Year 2010-2011)

Board member Westerberg introduced the agenda and explained the order of the meeting for the day. Matt Freeman of the Board office briefly discussed the materials in the Board agenda and clarified various points for the benefit of the Board. Following introductions, the representatives from the colleges and universities were invited to present their fee and tuition requests to the Board.

PRESENTATIONS – COLLEGES & UNIVERSITIES**1. University of Idaho – Student Tuition and Fee Rates (Academic Year 2010-2011)**

President Duane Nellis of the University of Idaho addressed the Board. He was joined by the ASUI Student Body President, Kelby Wilson, the Executive Director of Planning and Budget, Keith Ickes, the Provost and Executive Vice President, Ed Baker, and the Vice President for Finance and Administration, Lloyd Mues.

President Nellis reported that UI is proposing a 12% increase in fees. He spoke at length about the need to increase the student fee and tuition rates and the University of Idaho. He discussed the mission of UI as a land grant university and noted that the fee and tuition discussion is focused on that mission. Dr. Nellis pointed out that outreach, research, and quality education at an affordable price are the goals of the University. He reported that the University issues more degrees in science, technology, and math than any other institution in the state. He emphasized the seriousness of the University's financial situation and discussed the steps the University has taken to address the budget reductions. Dr. Nellis reiterated that while every effort has been made to continue operating in the most efficient and effective way possible, the proposed fee increase will allow UI to stabilize its financial situation and continue to move forward in the present economic climate.

Kelby Wilson spoke to the Board. He indicated that the Student Activity Fee Committee looked carefully at the Student Activity Fee and came to agreement as to which programs were important to maintain. Mr. Wilson noted that the students at UI understand the tough economic situation that Idaho is currently in, as well as the difficulties that the University is facing. The students support the proposed 12% full-time fee increase. He encouraged the Board to approve the increase in order to allow UI to continue to offer quality.

Board member Lewis asked about the University's net asset balances, reserve funds, and unrestricted funds, and the potential availability and usage of these funds. Mr. Ickes explained that those funds from those sources have been used already and so have the overall unencumbered reserves in order to address the holdbacks. It was pointed out that those funds are also being tapped to address the strategic initiatives at UI. It was emphasized that there are still available funds, but there is a risk that if too much is taken away, the University will be at risk.

Board member Lewis asked about the flow of funds from stimulus package and Dr. Nellis noted that the stimulus money is one-time. In regards to the increase in the cost of Room and Board, Lloyd Mues explained that the University operated several years with an under-valued program and adjustments had to be made. Mr. Luna asked about the possibility of using dedicated funds if legislative action freed them up. Dr. Nellis explained that the use of dedicated grant funds are strictly regulated by the federal, state, and private entities that issue them. They can't be used for other things.

Dr. Nellis indicated that UI has been strategic in approaching the issue of being able to provide students with financial aid to ensure accessibility. More distance learning education and outreach education opportunities are being offered in that regard. UI is very sensitive to accessibility and affordability. Institutional support and scholarship dollars are being used as well.

Dr. Nellis reiterated that the University of Idaho has a research mission. That mission requires more expensive curricula in order to deliver science, technology, and math. As the University is

making an effort to move in new directions it also operates five UI Centers in other parts of the state. During the discussion, it was pointed out that the Higher Education Price Index is used to calculate the cost of education and there are many factors that are considered, among them, the cost of research equipment, lab materials, and chemicals. Those types of things drive the cost of education up. Dr. Nellis noted that none of the fee increases will go towards salary increases.

Mr. Ickes indicated that an open forum had been held for the students to engage in the process. Also, the Student Fee Committee was very involved in the process. Dr. Nellis noted that UI follows the Board policies related to what goes into the athletic budget. He pointed out that the only way UI has been able to augment the athletic budget is through private giving. He noted that the athletic program does serve to draw people to the University. Mr. Mues explained that the athletic department is not close to the cap in terms of the Board policy and that the staff and faculty of the athletic department are also participating in the furloughs.

In terms of efficiencies, UI has recruited students into areas where there is room for them to enter programs and classes without having to add more teachers or classes. It is anticipated however, that as the freshman class enrollments increase, there will be a need to add some and classes and in some cases, some more instructors.

Mark Hoversten, Dean of the College of Art and Architecture (CAA), was invited forward to discuss the proposed changes in the College's professional fees. He explained that the College has proposed a structural reorganization of the College into a one-unit management structure. This new structure will allow for more flexibility in the delivery of integrated interdisciplinary teaching and research, and meet the call for more efficient management structures. The College proposes extending professional fees to all students in the College because they will all be enrolled in one administrative unit, although still pursuing unique majors. This request will unify the student fee structures in the College to correspond to the one-unit management structure and provide equity among all the students in the College. Students in CAA support this effort.

Ron Walters, Chair of the CAA Advisory Council spoke to the Board related to this proposal. He encouraged the Board to send a message of support by unifying the professional fees within the College of Art and Architecture.

Board member Terrell encouraged the Board to approve the request, noting that the request from the College of Art and Architecture is necessary to support the program. He pointed out that the directive by the Board that approved the re-establishment of the College of Art and Architecture in 2006 added the unfunded mandate costs of the college office. The brunt of this cost is born by the student professional fee. Dean Hoversten noted that currently, art and design students do not participate in funding the College office as do all other students in the College. The request by the College would change that.

Board President Agidius observed that the way the College is now structured makes this request appropriate. He also encouraged the Board to support the request. Board member Edmunds discussed the need for the Board to address the problem at a statewide level with an ongoing approach that can be applied in all situations. For that reason, he is not in favor of the motion. Board President Agidius agreed that the Board should look at the statewide policy, but encouraged the Board to approve the request that is before the Board today because the need is immediate.

Board member Lewis agreed with Board member Terrell in terms of the situation created as a

result of past decisions made by the Board related to the College of Art and Architecture. He also agreed with comments made by Board member Edmunds about looking at the statewide policy. He indicated that he is troubled by the situation that the Board helped to create by approving the re-establishment of the College.

Board member Westerberg noted that the Board has previously discussed taking a look at things done in other states in terms of professional fees. He reported that work is being done in that regard. He indicated that while this is a laudable request, he will vote against it because it sets precedence.

M/S (Terrell/Luna): To waive Board Policy V.R.3.b.iv. with respect to the imposition of a professional fee for all students in the University of Idaho College of Art & Architecture, and to approve the professional fee as requested. Motion PASSED 6 – 2 (Edmunds and Westerberg voted Nay).

2. Idaho State University – Student Tuition and Fee Rates (Academic Year 2010-2011)

President Art Vailas addressed the Board. He was joined by Dr. Linda Hatzenbuehler, Interim Associate Vice President for Health and Medical Education, James Fletcher, Vice President for Finance and Administration, and Ross Knight, Associated Student Body President.

Dr. Vailas reported that ISU is proposing a total full-time fee-increase of 9.9%. He explained the process ISU went through to come up with the requested fee and tuition increases. He noted that the University has taken significant steps already to improve in terms of efficiencies and marketability, and in meeting its mission and strategic goals. Dr. Vailas indicated that ISU has a high enrollment. In addition, ISU posted the highest graduate enrollment in the state.

Dr. Vailas pointed out that ISU has been innovative in dealing with the budget reductions and holdbacks. ISU used internal resources to set up an alliance between the regional public school superintendents and the University. The University reallocated more for student programs, reduced some adjunct faculty, cut back administrative overhead, and is looking at consolidation of administrative oversight.

Ross Knight spoke to the Board. He pointed out that he served on the Special Budget Consultation Committee representing the students. In that capacity he was able to examine budget records and documents, and review expenditures. He noted that ISU has been forced to be creative as well as timely in addressing the economic changes. Recruitment, retention, and affordability have been key areas of focus. Mr. Knight indicated that ISU has been restructured to ensure that resources are available for instruction. He noted that while he does not generally agree with tuition increases, he understands the need to ask for an increase.

Dr. Hatzenbuehler discussed the unique issues related to health and medical professions programs. She pointed out that accreditation requirements dictate adequate resources as prerequisites in these fields. Those requirements limit the flexibility of the University in terms of class size, adequate faculty, and general operations. Dr. Hatzenbuehler noted that the health and medical professions programs have a long history of charging professional fees. She indicated that ISU has more applicants than it can accept into the health programs. In the majority of cases, the class size must stay as is. In other cases the goal is to meet the demand by increasing the class size, increasing access through online programs, or increasing the number of sites where the programs are offered. Dr. Hatzenbuehler noted that ISU surveyed the students and the students understand the situation related to fee increases. Dr. Vailas indicated that the support ISU is getting from clinics and area hospitals and medical services is decreasing

due to the economic situation; this puts an additional burden on ISU.

James Fletcher spoke to the Board about the importance of putting the fee and budget discussions into context. He noted that ISU has made every effort to make reductions in every area, and to reset the cost base at the University. ISU has eliminated vacant positions. It used a financial task force to examine every line item of the budget and expense sheets to find more areas where costs could be cut. Only the critical needs have been kept and even in those areas there have been changes. Some examples include increasing parking rates and fees, cutting travel, putting a freeze on hiring, and eliminating international travel. Internal transformation has been undertaken to allow the University to move forward and accommodate increased enrollment. A new funding model is being pursued, but the effort is being made to minimize the impact to students.

Mr. Fletcher emphasized that student involvement is a key part of the fee increase decision making. This has ensured broad constituency involvement with the proposed increase of fees being discussed in terms of the whole University picture, and with absolute transparency. The effort has incorporated the Faculty Senate Budget Council recommendations. The President has reported back several times on the status of the University.

Mr. Fletcher noted that ISU set budget priorities. Those included preserving core faculty, avoiding additional layoffs, maintaining and enhancing student services, changing operations in the business and registrar offices, and not adversely impacting salary compensation. ISU has been able to carry out the maintenance needs of Turner Hall, has provided match support to the Promise Scholarships, and directed support to the services provided to veterans and other programs such as ISU Cares which is available to all students. He noted that there are other efforts underway that will reduce fees for students which include changes in the health insurance. ISU is also implementing an effort where students rent text books rather than purchasing them which will provide significant financial relief to students as well.

Mr. Fletcher explained that transformational change is a big theme at ISU. Transformation, however, is difficult to accomplish because structural impediments are significant. He explained that significant cost reduction plans are being considered including a performance-centered concept for all programs that will be used as a basis for reallocation. A strategic rebalancing of the enrollment to staffing levels is being carried out to ensure that it reflects the current needs and situation of the University. He reiterated that the budget process has been restructured and every decision is made on a sound business case view. The fee increase is needed to balance the budget.

Mr. Luna suggested that if ISU cuts salaries, it could reduce the amount it is asking for in fee increases. Mr. Fletcher pointed out that salaries are already over 20% lower than at peer institutions. Dr. Vailas respectfully disagreed with Mr. Luna's suggestion based on his own experience in other states. Dr. Vailas emphasized that ISU is already losing faculty. He also noted that cutting salaries won't address the efficiency and efficacy of the programs. It also impacts the ability to deliver student services. Dr. Hatzenbuehler noted that in terms of health professions faculty, ISU is already competing with the private sector.

Dr. Vailas explained again that ISU has chosen to restructure and reduce the overhead of the institution rather than sacrifice the quality of the education it hopes to offer its students. That is the reason ISU has not implemented furloughs. He emphasized again that ISU has made reductions in other areas and hopes to avoid having to do that. Mr. Fletcher and Dr. Vailas agreed that the fee increase is necessary to keep the operation at ISU going. Dr. Vailas indicated that ISU eliminated about 10 or 11 programs in the last holdback. It also eliminated 60

vacant positions and instituted 73 layoffs. Mr. Fletcher agreed that if there had been workload adjustment funds allocated this year ISU could have asked for a lower fee increase.

At this time the Board agreed to hear from a student who signed up to appear on the Open Forum.

OPEN FORUM

Jason Denizac of Boise State University spoke to the Board about tuition hikes. He indicated that he represents a newly formed organization called the Idaho Student Association which includes students from throughout the state who speak with one voice. Mr. Denizac recognized that while these are difficult times economically, students are being hurt by tuition hikes. He went on to remind the Board to focus on prioritizing in order to improve access to higher education, improve freshman retention, and make education more affordable. He emphasized that there are too few seats in the classrooms; and, there are too few teachers for the number of students they must teach and reach. He urged the Board to look at other ways to meet the needs of higher education and the students of Idaho other than raising the tuition and fees. He noted that the Idaho Student Association looks forward to working with the Board on the tough issues, and collaborate with the Board to improve the quality and accessibility of education in Idaho.

PRESENTATIONS (continued)

3. Boise State University – Student Tuition and Fee Rates (Academic Year 2010-2011)

President Robert Kustra addressed the Board. He noted that the real cost of a university degree has been heavily subsidized by state, federal and local governments. He pointed out that BSU has lost \$19 million in holdbacks over the last few years. He observed that it is difficult to implement an eight year plan with holdbacks and unexpected budget reductions. He indicated that Idaho's public universities rank among the lowest across the West in terms of tuition. Dr. Kustra noted that ranking was fine when there was a steady and substantial state appropriation, but it's not a good place to be when the flow of state, federal and local money dries up.

Dr. Kustra observed that BSU is a major lynch-pin in terms of economic recovery because of its location, mission, and size. He thanked Mr. Denizac for his comments and agreed that the students of Idaho deserve to have a quality education opportunity. He noted that it is imperative to also to continue to support the efforts of the University. Dr. Kustra indicated that BSU has a healthy research budget, and that money that comes into the institution through research grants flows into the local economy in other ways.

Dr. Kustra pointed out that 70% of BSU students receive financial aid. In addition, students in this part of the state have other options in terms of access and affordability, including attending the College of Western Idaho where the tuition is lower. He noted that last year BSU only asked for a 5% increase in tuition and fees. This year BSU needs to ask for an overall 8.96% fee increase for full-time undergraduate students.

Stacy Pearson, BSU Vice President for Finance and Administration, was introduced to provide an overview of the finances at BSU. Ms. Pearson discussed the positive impact that BSU students and alumni have on the economy. She noted that a college degree results in higher earnings and the primary goal of BSU is to help students complete that degree and do so in a timely manner. Ms. Pearson observed that tuition revenues are essential to cover the costs as state support has declined over 20 percent in the last three years.

Ms. Pearson reported that BSU has implemented several strategies to improve retention and timely graduation. One strategy BSU plans to implement is requiring eight fewer credits for graduation for some degrees (going from 128 to 120). She noted that, nationally, many other institutions already have done this. BSU also has articulation agreements with the community colleges. BSU has already established many ways to improve the student and teacher connection. Graduation rates for first-time, full-time students in four years, has increased over the past few years.

Ms. Pearson reiterated that a key retention strategy at BSU is to improve the academic profile of new freshmen and make sure they have a place to go. BSU has experienced a 13.5% student FTE growth over the last four years. BSU has \$938K unfunded occupancy costs that must be covered by BSU's budget. The net shortfall still needs to be covered. The tuition and fee increases will cover a portion of that shortfall, but the rest will need to be covered in other ways.

Guiding principles to address the budget situation include supporting the core functions, maintaining the capacity to serve students, linking decisions to BSU strategic plan, and identifying and implementing additional efficiencies where possible. Ms. Pearson pointed out that some programs have been discontinued. Also, personnel and budget reduction measures are being implemented including eliminating or not filling vacant positions, and looking at various furlough scenarios. Ms. Pearson reported that the process for requesting an increase in the tuition and fees included student involvement with public hearings. Recommendations were forwarded to President Kustra.

Trevor Grigg, Student Body President, spoke to the Board. He noted that while he is not in favor of increasing fees, he does understand the need. He emphasized that he values his education and will continue to do what is necessary to pay for it, and to have the services and programs available that make that education a quality experience with a positive outcome. He noted that students went line-by-line through the budget during the student activity fee discussions. Board member Atchley asked what students will do to make college available if the situation worsens. Mr. Grigg noted he will work more and apply for more federal aid. He understands the importance of getting an education and is willing to make the sacrifice.

Board member Lewis commended the students and the reduction in the student activity fee. To clarify, Ms. Pearson noted that goal of BSU has been to increase the full-time tuition and to get the part-time cost-per-credit hour into alignment with the full-time fee. She indicated that BSU has seen an increase in the number of full-time enrollments. Being in the third year of significant budget reductions enrollment growth has been difficult to manage. Cutting services would have a negative impact. And, while BSU has delayed hiring it has not implemented furloughs as yet. She noted that there have not been salary increases.

In terms of using reserve funds, Ms. Pearson emphasized that BSU is cognizant of the importance of having a strong reserve rating. She noted that in the past few years the balances in the reserves have come down. It is a challenge to manage the budget reductions and also maintain healthy reserves so that BSU can effectively operate. Dr. Kustra noted that in the future BSU may be to look towards endowments as a wave of reform. A substantial overhaul and strengthening of the foundations and endowments is essential to deal with what is happening and will happen with funding and tuition in the future.

Mr. Luna expressed concern about the hesitation to look at the funds allocated towards salaries. Dr. Sona Andrews pointed out that faculty have been asked to do significantly more over the last few years. Also, all of the institutions in Idaho compete nationally for faculty and the

competition is stiff. It was noted that none of the tuition increases would go to wages.

Mr. Luna asked if there has been any consideration about pursuing a three-year degree track. Dr. Kustra noted there are a number of states that have taken action towards this end. Dr. Kustra went on to point out that one issue that BSU, as a commuter university, faces is the embedded cultural mentality whereby students take a few classes now and then in the pursuit of an education. Not every student is working towards a degree. And, those who are may extend the time it takes to get a degree because of this approach.

Mr. Lewis noted that the university sector nationally may not have experienced the same kinds of cutbacks or budget constraints. Dr. Kustra pointed out that the higher education world is a diverse landscape. Each one is impacted by a variety of factors and no two are alike. There are states where there are significant cutbacks and others where huge taxes have been implemented and revenue enhancements have been implemented to subsidize education. The greatest challenge of some of the well-known land grant public research universities is that they are being raided of faculty by private universities.

4. Lewis-Clark State College – Student Tuition and Fee Rates (Academic Year 2010-2011)

President Dene Thomas addressed the Board. She introduced Provost and Vice President for Academic Affairs, Tony Fernandez, Vice President for Finance and Administration, Chet Herbst, and Clay Long, Student Body President.

Dr. Thomas agreed with the other institutions in terms of the pattern of decreasing state support for public higher education in Idaho over the past years. She observed that it is more noticeable when the state economy is in trouble, but the decrease in state support has occurred even in the good years. Dr. Thomas noted that LCSC is a growing institution with quality programs that is operating with efficiency. She pointed out that LCSC has a non-funded community college function. In addition, LCSC is the lowest cost four-year institution in Idaho and it is asking for the lowest percentage increase in that regard.

Clay Long spoke to the Board. He noted that the students of LCSC fully support the College's proposed fee increase. In addition to the student fee hearing, information was given to the student senate on a regular basis as to the status of the budget and the request. A resolution was passed in the student senate commending the administration of LCSC. He noted that the students recognize the difficult times LCSC is in and also recognize the value of their education.

Chet Herbst reiterated that LCSC has the lowest tuition rate of all the public four-year institutions in Idaho. He pointed out that the small school environment that allows for direct interaction is a plus. This environment makes it possible for students to enjoy a quality education in a more personal setting. Mr. Herbst noted that LCSC is more dependent on appropriated dollars than the sister universities and colleges in Idaho. He pointed out that over half of the LCSC budget relies on state appropriated funds. Mr. Herbst indicated that LCSC was rated by Lumina Foundation as the most affordable four-year college/university in Idaho.

As far as salaries, Mr. Herbst reported that LCSC has been trying to catch up for a number of years. As a result, LCSC is sustaining reduced salaries year-in and year-out instead of taking furloughs or making salary cuts. Mr. Herbst noted that there is a large gap in salaries paid at LCSC compared to the other institutions in Idaho. As far as reserves and how they are used, LCSC has little cushion to work with. Mr. Herbst reported that LCSC has experienced the highest growth rate of four-year institutions and it has been a steady increase over time. LCSC has lagged behind in getting funding for the growth received.

Mr. Herbst noted that LCSC also realizes very little from enrollment workforce adjustment. LCSC has other mandates it accepts proudly and works hard to achieve. The strategy at LCSC depends on state funding for construction to keep up with growth. LCSC has tried to hold ground to keep close to previous year's dollars despite enrollment growth. Last year LCSC reduced the operation tempo and went into the hole, though not to the extent of hurting the institution. It will have to continue that approach in FY 2011. Salaries and program expansion are on hold. LCSC is holding students harmless on occupancy costs and striving to preserve mission-critical programs, make vertical cuts, defer maintenance, and stabilize operations by drawing down reserves.

Dr. Thomas pointed out that LCSC's need exceeds 15%, but it is only requesting 8.75% in order to maintain access for the targeted student population. The fee increase will be applied across the board to all student categories. The requested increase will cover half of unfunded must-pays. The rest of what is needed will come from additional cuts and drawdown of reserves. Some of the must-pays include inflation (utilities, service contracts), capital equipment replacement, occupancy costs (immediate), and electrical and IT system bills.

5. Eastern Idaho Technical College – Student Tuition and Fee Rates (Academic Year 2010-2011)

President Burton Waite addressed the Board. He reported that the proposed 5.1% fee increase request was presented to both employee and staff groups on campus as well as to students. There was one open student hearing and not one student came to ask a question. EITC has implemented furloughs this current fiscal year, starting last July, and it applied to all employee groups. Mr. Waite pointed out that EITC is unique in that their funds come through the Division of Professional-Technical Education as an appropriation.

President Waite noted that in prior years EITC was protected to some degree as a result of the maintenance of effort requirement connected to federal Perkins Funds. The Perkins maintenance of effort was not met this year so there will be a negative fiscal impact on EITC. In addition, more Perkins funds will go to the College of Western Idaho this year which means EITC will receive fewer federal dollars. Thus, EITC will see reductions in both state and federal funds. Mr. Waite noted that EITC has positioned itself to operate in a fiscally responsible way. The 5.1% increase will allow EITC to continue to offer the kind of education students have come to expect in Idaho.

Mr. Robert Smart, Dean of Administration and Controller, discussed the EITC request. Mr. Smart indicated that the 5.1% increase is minimal considering the enrollment increases and the efforts already underway to reduce costs while meeting the demand. He asked the Board to support EITC's request.

In terms of enrollment increase, President Waite explained that as a professional-technical college there are advisory committees for each of the industries to advise EITC on the job market. Because of that, some programs have caps and any operating at full capacity. Mr. Waite explained that EITC does not want to saturate the job market or train people for jobs that aren't there. The goal is to continue to provide quality instruction that ensures student success and a meaningful level of employment for the greatest number of individuals possible.

BOARD DISCUSSION

The Board invited the Presidents to come forward and share their perspective on higher

education in terms of the long-term trend line. The Board also asked for suggestions about the direction the Board should consider taking and the funding model the Board should pursue if the economic situation does not improve soon.

Dr. Nellis indicated he remains optimistic about where Idaho will be in the next four-to-five years. UI will continue to look at ways to increase private funding, generate alternative revenue sources, and even do more recruiting of international students who pay full out-of-state fees. He noted that it takes time to develop those diversified portfolios. That is why Idaho needs to stabilize the state's investment so that the colleges and universities can plan on how to maintain affordability and accessibility.

Dr. Vailas echoed Dr. Nellis. He noted that the bigger question is how to continue the public mission when on a course of self-sustainability. The hope is that public funds will continue to be there for the infrastructure. He pointed out that each institution made it clear during its presentation the steps taken to hold off on doing anything about the infrastructure as a result of the reductions and holdbacks. The result is that the infrastructure continues to wear out, break down, and decay. He reminded the Board that the future cost to remedy that situation increases the longer repairs and maintenance is delayed.

Dr. Vailas also urged the Board to remember that it is necessary to deal with the elements of accountability and the delivery of education all the while noting that transformation will be required in the process. He suggested that there is a need to make legal reforms to allow institutions greater flexibility in efforts such as competitiveness with the private sector. Along this line, if institutions can set up an enterprise to create revenue they won't have to rely as much on government or the students. Dr. Vailas noted that the institutions and the Board may need to take political risks if they hope to effect change and that's not an easy thing to do.

Dr. Thomas shared that, in looking back to Idaho's Constitutional mandate, we see that the founding fathers saw that public education was a good thing and something that the public should pay for. The change of view from that time to now has been demonstrated over time, but the degree and rate of change has increased in recent years. She noted that there is declining public support for higher education because it is now viewed as a private benefit, and something that the private citizen should pay for. Dr. Thomas noted that as the state economy struggles, the legislature will be able to provide less money. There will be the need to do more with less, and sometimes to just do less. Idaho is seeing incremental changes in all of the public institutions. However, greater swings are occurring because of unexpected changes. In the future there will be more focus on distance learning.

Dr. Thomas shared the point that one sector that is doing well in this economy is private higher education. On the other hand, public higher education is suffering because it is a government funded institution. Dr. Thomas suggested that as institutions look at grants, private funds, and different ways of doing business, they must be as entrepreneurial as possible to balance things out. She noted that one of the legs of the stool will remain public support, and what the legislature does will always impact public education. In terms of the cost of education, Dr. Thomas pointed out that in looking at the technological and scientific developments, the Board and institutions must address how to keep up and stay relevant and current with those developments regardless of the economy; that is essential.

Dr. Kustra noted that one of the fundamental challenges Idaho faces is the way budgets are constructed in public higher education. The legislature often looks at public higher education as the place to take funds away from when the budget is tight. Dr. Kustra indicated that he thinks Idaho will get back to economic health because it is a conservative state in terms of the budget.

He suggested that Idaho's legislature would benefit for looking at how other conservative states, like Kentucky, have structured and funded public higher education. He noted that the commitment of the people of Kentucky and its government to public higher education is noteworthy.

In thinking of the future in Idaho, Dr. Kustra shared his belief that Idaho will come out of the decline slowly. He indicated that he doesn't see a deep seated commitment to public higher education in Idaho's legislature; it doesn't appear to view public higher education as a driver of economic health. On the other hand, other states, like Oregon, have taken deliberate steps and made difficult economic decisions to increase taxes in order to invest during this time of recession. He shared his belief that Idaho will continue to work towards the new business model of shifting the cost of public higher education away from the public and onto the private citizen. Because of that, the institutions will be back before the Board again asking for increases.

Board member Edmunds asked about quantity versus quality in terms of what is right for the state of Idaho. Dr. Vailas noted that if higher education is to lead to long term and sustained economic development, there has to be a balance between the two. You can't have one without the other.

Dr. Kustra wondered how much weight the Board should put on Idaho's per capital income and Idaho annual wages. The trap of comparing ourselves inside the boundary of the state is restrictive because our students are competing in the global economy and we can't lose sight of that fact.

Board member Edmunds indicated that the affordability of higher education in Idaho limits the number of students who are able to go to college. Dr. Kustra shared about a model that many of the states in the union currently use. It is called the Monetary Assistance Program (MAP program). Many states have their own statewide scholarship programs, programs much bigger than Idaho's Promise Scholarship program. Idaho doesn't have that kind of program, but if it did it would be of enormous benefit to the students and as a result to the state and the economy.

Dr. Nellis noted that another part of the equation is financial aid. The amount of aid that goes to students, whether through private or institutional support, off-sets what students are actually paying and is an important dimension to consider. Another dimension to look at is that the demand for education and the increase in enrollments demonstrate a desire for higher education even though Idaho has raised fees. Dr. Nellis shared that West Virginia has a statewide program where flat-rate tuition was applied to qualified students who committed to stay in-state. That program has had a dramatic impact in West Virginia.

Dr. Nellis agreed that the college-going-rate in Idaho is troublesome. He suggested that Idaho needs to start preparing and encouraging students at a much younger age to believe in the need for, and the importance of a higher education. As it is, some of the qualified students who would be able to get aid aren't even looking at college.

Board member Terrell observed that what the institutions are requesting is the ability to maintain the operation and to keep the tools in place, so that education is available. Without keeping the schools operating at the highest level possible, the future is bleak on many fronts. He reiterated that he wants to see the students benefit and they won't be able to benefit if the fees are not increased to keep things going.

Board member Westerberg noted his concern that approving a large tuition increase sends a message to the institutions that incremental change is enough. He suggested that the net goal

is to get more kids through school. Therefore, the cost needs to decrease not increase.

Mr. Luna pointed out that while Idaho enjoys a high graduation rate from high school, too many graduates do not go on to college. He emphasized that Idaho needs to work on that. Mr. Luna shared that in traveling through the state, he sees that students do recognize the importance of higher education, but many believe that the financial burden is prohibitive. He is concerned about the long-time trend of increases being made in terms of fees and tuition. He noted that there have been requests for tuition increases even when the economy was good. He agreed that the institutions have to be funded adequately. The issue is how to keep the institutions moving forward while, at the same time, not restricting opportunities for students who are struggling financially and may believe that higher education is unaffordable and inaccessible to them.

Board member Lewis agreed with comments from Mr. Westerberg and Mr. Luna. He observed that great care must be undertaken in making a decision. He thanked the institutions for all they are doing in these extraordinarily stressful times. He weighed in with the reminder of where the colleges and universities will be next year given the lag effect with government funding. He urged the Board and the institutions to think about changes and adjustments that need to be made. He noted that planning requirements may cause delays in the time it takes to effect the necessary changes. He encouraged the institutions to think ahead so they can comply with the time periods if the economy doesn't come back. He indicated that he agreed with the comments related to the lack of support for higher education in Idaho and noted that everyone needs to take responsibility to change that culture.

BOARD ACTION

1. University of Idaho

MOTION #1/S (Westerberg/Terrell): To approve the annual full-time resident student fee rates for FY 2011 for the University of Idaho at an overall increase of 12%, to include matriculation, facility, technology, and activity fees for a total dollar amount of \$5,524; and to approve the annual full-time student fee rate for nonresident tuition of 15% for a total dollar amount of \$11,592. Roll call vote; motion FAILED 4 - 4 (Agidius, Terrell, Soltman, and Atchley voted Yes).

Substitute Motion #1-Motion #1/S (Lewis/Westerberg)

To approve the annual full-time resident student fee rates for FY 2011 for the University of Idaho at an overall increase of 7.9% to include the matriculation, facility, technology, and activity fees for a total dollar amount of \$5,322.00; and to approve the annual full-time student fee rate for nonresident tuition of 15% for a total dollar amount of \$11,592.00. The institution shall have the discretion to allocate the increase between matriculation and fees as they deem appropriate. Roll call vote; motion FAILED 4 - 4 (Lewis, Luna, Westerberg, and Edmunds voted Yes).

Substitute Motion #2 – Motion #1/S Terrell/Westerberg

To approve the annual full-time resident student fee rates for FY 2011 for the University of Idaho at an overall increase of 9.5% to include the matriculation, facility, technology, and activity fees for a total dollar amount of \$5,402.00; and to approve the annual full-time student fee rate for nonresident tuition of 15% for a total dollar amount of \$11,592.00. The institution shall have the discretion to allocate the increase between matriculation and fees as they deem appropriate. Motion FAILED 1 - 7 (Westerberg voted Yes).

MOTION #2/S (Soltman/Terrell)

To approve the annual full-time resident student fee rates for FY 2011 for the University of Idaho at an overall increase of 9.7% to include the matriculation, facility, technology, and activity fees for a total dollar amount of \$5,412.00

Substitute Motion #1 – Motion #2/S Westerberg/Lewis)

To approve the annual full-time student fee rates for FY 2011 for the University of Idaho at an overall increase of 9.5% to include the matriculation, facility, technology, and activity fees for a total dollar amount of \$5,402.00 and to approve the annual full-time student fee rate for nonresident tuition of 15% for a total dollar amount of \$11,592.00. The institution shall have the discretion to allocate the increase between matriculation and fees as they deem appropriate. Motion PASSED 6 - 2 (Atchley and Edmunds voted Nay).

M/S (Westerberg/Soltman): To approve all other fees for FY 2011 for University of Idaho as contained in the UI Fees motion sheet as amended which will be made part of the written minutes. Motion PASSED unanimously.

2. Idaho State University

M/S (Westerberg/Soltman): To approve the annual full-time resident student fee rates for FY 2011 for Idaho State University at an overall increase of 9.5%, to include tuition, facility, technology, and activity fees for a total dollar amount of \$5,440.00; and to approve the annual full-time student fee rate for nonresident tuition of 7.1% for a total dollar amount of \$10,500.

Substitute M/S (Lewis/Luna): To approve the annual full-time resident student fee rates for FY 2011 for Idaho State University at an overall increase of 9.0%, to include tuition, facility, technology, and activity fees for a total dollar amount of \$5,416.00; and to approve the annual full-time student fee rate for nonresident tuition of 7.1% for a total dollar amount of \$10,500.00. Motion PASSED 7-1 (Edmunds voted Nay.)

M/S (Westerberg/Terrell): To approve all other fees for FY 2011 for Idaho State University as contained in the ISU Fees motion sheet as adjusted which will be made part of the written minutes. Motion PASSED 7-1 (Edmunds voted Nay).

3. Boise State University

M/S (Westerberg/Luna): To approve the annual full-time resident student fee rates for FY 2011 for Boise State University at an overall increase of 9.5%, to include tuition, facility, technology, and activity fees for a total dollar amount of \$5,300.00; and to approve the annual full-time student fee rate for nonresident tuition of 5.0% for a total dollar amount of \$9,456.00. Motion PASSED 6-2 (Atchley and Edmunds voted Nay)

M/S (Westerberg/Soltman): To approve all other fees for FY 2011 for Boise State University as contained in the BSU Fees motion sheet as adjusted which will be made part of the written minutes. Motion PASSED 7-1 (Edmunds voted Nay).

4. Lewis-Clark State College

M/S (Westerberg/Terrell): To approve the annual full-time resident student fee rates for

FY 2011 for Lewis-Clark State College at an overall increase of 8.7%, to include tuition, facility, technology, and activity fees for a total dollar amount of \$4,998.00; and to approve the annual fulltime student fee rate for nonresident tuition of 8.8% for a total dollar amount of \$8,908.00. Motion PASSED 7-1 (Edmunds voted Nay)

M/S (Westerberg/Soltman): To approve all other fees for FY 2011 for Lewis-Clark State College as contained in the LCSC Fees motion sheet as adjusted which will be made part of the written minutes. Motion PASSED 7-1 (Edmunds voted Nay).

5. Eastern Idaho Technical College

M/S (Westerberg/Atchley): To approve the annual full-time resident student fee rates for FY 2011 for Eastern Idaho Technical College at an overall increase of 5.1%, to include professional-technical education, technology, and activity fees for a total dollar amount of \$1,840.00; and to approve the annual full-time student fee rate for nonresident tuition of 5.1 % for a total dollar amount of \$4,900.00. Motion PASSED unanimously.

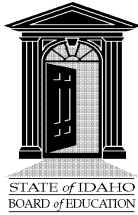
M/S (Westerberg/Edmunds): To approve all other fees, other than the annual full-time resident and nonresident student fee rates for FY 2011 for Eastern Idaho Technical College, as contained in the EITC Fees motion sheet as adjusted which will be made part of the written minutes. Motion PASSED unanimously.

It was clarified a number of times throughout the discussion that the fees are not just made up of the matriculation fees; additional fees that are received by the institutions as well.

OTHER BUSINESS

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

M/S (Terrell/Westerberg: To adjourn the meeting at 6:25 p.m. Motion PASSED unanimously.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
April 21-22, 2010
University of Idaho
Whitewater/Clearwater Room
University of Idaho Commons
Moscow, Idaho**

A regularly scheduled meeting of the State Board of Education was held April 21-22, 2010 in Moscow, Idaho

Present:

Paul Agidius, President
Ken Edmunds, Secretary
Don Soltman

Richard Westerberg, Vice President
Emma Atchley
Milford Terrell

Rod Lewis
Superintendent

Tom Luna, State

The Board met at 4:00 p.m. on Wednesday, April 21, 2010 at the Best Western University Inn in Moscow, Idaho. All members were present.

M/S (Edmunds/Atchley): To amend the agenda to add an additional UI executive session item. The item was not included in the original posted agenda because the Board has just determined that it would be beneficial to conduct deliberations relating to the University's acquisition of an interest in real property not owned by a public agency and to discuss with its attorney documents related thereto that are exempt from disclosure as provided in title 3, chapter 9, Idaho Code. Also, to add an additional BSU executive session item. The item was not included in the original posted agenda because the Board has just determined that it would be beneficial to consider and discuss with its attorney documents that are exempt from disclosure as provided in title 3, chapter 9, Idaho Code. Motion carried unanimously.

EXECUTIVE SESSION

M/S (Edmunds/Soltman): To move into Executive Session to consider the following matters:

TAB 1. University of Idaho

- A) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(1)(d) and (f) for the purpose of considering documents that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code; and to communicate with legal counsel to discuss legal ramifications of and legal options for pending litigation;
- B) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(1)(c) and (d) to conduct deliberations to acquire an interest in real property which is not owned by a public agency and for the purpose of considering documents that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code;

TAB 2. Boise State University

- A) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(1)(d) for the purpose of considering documents that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code;
- B) A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(1)(d) for the purpose of considering documents that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code;

TAB 3. Lewis-Clark State College

Pursuant to Idaho Code Section 67-2345(a), for the purpose of considering the hiring of a public officer, employee, staff member or individual agent.

A roll call vote was taken; motion carried unanimously.

During Executive Session the Board discussed and considered the following items:

- Under Tab 1, as Regents for the University of Idaho, Tab 1A, documents exempt from disclosure and a pending litigation matter; and Tab 1B, documents exempt from disclosure and the potential acquisition of an interest in real property not owned by a public agency.
- Under Tab 2, as Trustees for Boise State University, Tab 2A, documents exempt from disclosure; and Tab 2B, documents that are exempt from disclosure. NOTE: Board member Terrell recused himself and left during the discussion of Tab 2B.
- Under Tab 3, as Trustees for Lewis-Clark State College, the hiring of a public officer, employee, staff member or individual agent.

M/S (/Luna/Atchley): To go out of Executive Session at 6:00 p.m. Motion carried unanimously.

On Thursday, April 22, 2010, the Board convened for regular business at 8:40 a.m. in the Whitewater/Clearwater Room at the University of Idaho Commons in Moscow, Idaho. Board President Agidius called the meeting to order.

RECOGNITIONS

Board President Agidius briefly commented on several accomplishments by students and faculty members. He commended the institutions for creating the kind of learning environment that helps advance learning and success.

BOARDWORK1. Agenda Approval

M/S (Westerberg/Atchley): To amend the agenda to add an agenda item waiving Board Policy V.R.3.a.x., In-service Teacher Education Fee. The item was not included in the original posted agenda because it had not been determined at that time the need for the policy to be waived prior the Regular June meeting for institution planning purposes; and to move Consent agenda item TAB 7 – Public School Facilities Cooperative Public Funding Program – to the Regular Business Affairs and Human Resources agenda. Motion passed unanimously.

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

By unanimous consent, the Board also agreed to take up Tab five (5) of the Finance section of the Business Affairs and Human Resources agenda to a time earlier in the agenda.

2. Minutes Approval

M/S (Westerberg/Soltman): To approve the minutes from the February 17-18, 2010 Regular Board meeting as amended. Motion carried unanimously.

Board member Edmunds noted that the motion in the minutes of the last meeting related to the Accountability Oversight Committee (Item 2 on the Instruction, Research, and Student Affairs Committee agenda) needed to be corrected to clarify that Christine Donnell is appointed to the Accountability Oversight Committee for two years and appointed as Chair for one year, in keeping with the policies of the committee. **By unanimous consent the Board approved this clarification.**

3. Rolling Calendar

M/S (Westerberg/Soltman): To set April 20-21, 2011 as the date and the University of Idaho as the location for the April 2011 regularly scheduled Board meeting (to include the Annual Student Fee meeting and the Regular April Board meeting) and to amend the date of the May Board Retreat May 20-21, 2010 meeting to May 19-20, 2010. Motion passed unanimously.

It was noted that the meeting next year in April will be two full days, April 20 and 21. April 20 will be the fee setting meeting and the regular Board meeting will be held on April 21.

OPEN FORUM

Debbie Morris of Coeur d'Alene spoke to the Board about the need to protect children in public schools from unwanted expressions of behavior as well as reading material and words. She noted that the use of the freedom of speech requirement often takes away the rights of children to have a safe and protected learning environment. She explained that objectionable material is being taught to children under the guise of freedom of speech. She asked the Board to find out what is taught in our public schools to see if it is appropriate. State Superintendent Luna thanked Ms. Morris. He noted that decisions about reading and content material are made at local level, but he will discuss with Ms. Morris how to work with the local officials.

Heather Coy of Coeur d'Alene addressed the Board related to school accountability. She pointed out that there is confusion as to what works in Idaho. She noted that parents need a voice. She emphasized that the Board has the authority to enforce the established rules and guidelines. She asked who the local parents can talk to when the school officials fail to follow the rules.

Aileen Kohler of Hayden Lake addressed the Board related to schools of choice. She noted that local officials are considering converting the neighborhood schools into a magnet school. This action will essential eliminate any option for school choice. She wondered why local officials can make those decisions and others like them when they are not elected. She urged the Board to give parents a choice in these types of decisions.

Mary Jo Finney of Coeur d'Alene discussed access to education. She pointed out that parent involvement is essential to the success of students. She raised a concern about how parents can be involved when they are not kept informed by school officials. She pointed out that federal law allows for parents to be able to review instructional material. She indicated that Idaho doesn't have a complete listing of instruction material. She reminded the Board that this is an issue it needs to address.

Board member Terrell asked the presenters to forward their information to the Board so that the Board can take a closer look at the details. State Superintendent Luna will make sure those comments get forwarded to the Board.

Virginia High of Worley spoke to the Board about the possibility to keep the school building in Worley. She noted that the school board wants to build a new public school in Plummer. It will be costly. She pointed out that the Worley School could be renovated. She asked the Board to reconsider this matter.

ROBOTICS PRESENTATION

A robotics presentation was made to the Board by several North Idaho individuals associated with the North Idaho Discovery Association (NIDA). The presenters included: Dr. Lorna Finman, President of LCF Enterprises and the North Idaho Discovery Association; Karlicia Berry, Executive Director of Education Programs (NIDA); Brian Induni, Director of Marketing and Business (NIDA); Salvatore Lorenzen, Post Falls High School instructor; and Blake Alfson, Lakeland High School student.

Dr. Finman explained that NIDA is a nonprofit organization that gives scholarships and grants to support and advance science, technology, engineering and math (STEM) opportunities. The organization helps students go onto college and also supports students in job preparation. NIDA is also involved in developing business coalitions and the building of a science corridor in the

northern part of Idaho. These efforts help increase the ability of students in these areas and also helps keep them in Idaho.

The presenters shared about activities that are taking place, and discussed the coalition between NIDA and other organizations like NASA, local high schools, and colleges. It was noted that Post Falls High School recently hosted the world's largest Lego Robotics tournament where students displayed their engineering, technology, creative, and team building skills. The students who participate in this robotics program are from K-8th grade.

Mr. Induni shared that NIDA touches students from every background and every level of ability. It has expanded to the point where it needs to find a home. They are considering a facility that will be funded by NIDA to be housed in the Rathdrum Creek Technology Corridor. This will be a high level teaching and training ground for students to help them excel in the fields of science, medicine, technology, math, and engineering prior to high school graduation.

It was noted that the NIDA robotics program is able to broaden its scope and focus on other areas including agriculture and mining. NIDA hopes to help the Board of Education to provide free resources to the schools. Dr. Finman encouraged the Board to look at how to help make that possible by making the robotics program an activity equal to sports, drama, forestry, etc., on the list of approved high school activities. She also encouraged the Board to incentivize teachers by giving them credit for participating in these afterschool STEM programs. She noted that these efforts would not impact budgets.

State Superintendent Luna indicated that the Department of Education does have some influence with the Idaho School Activities Association and he will work with staff to see what can be done. He will also look into giving credit to teachers.

By unanimous consent, the Board agreed to have Mr. Luna move in that direction on the behalf of the Board.

CONSENT AGENDA

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

Item seven was moved to the regular Business Affairs and Human Resources agenda.

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

By unanimous consent, the Board approved the request by Boise State for eight (8) new positions (8.0 FTE) supported by grant and local funds, and a term increase of two (2) positions (1.72 FTE) supported by appropriated and local funds.

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

By unanimous consent, the Board approved the request by Idaho State University for three (3) new positions (3.0 FTE) supported by local funds.

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

By unanimous consent, the Board approved the request by the University of Idaho to

create two (2) new positions (2.0 FTE) and reactivate three (3) positions (3.0 FTE) supported by appropriated and non appropriated funds.

4. BAHR – Section I – University of Idaho – Employment Agreement – Head Volleyball Coach

By unanimous consent, the Board approved the University of Idaho's multi-year employment contract for head intercollegiate volleyball coach, Debbie Buchanan, for a 5 year term commencing on August 1, 2010 and terminating on July 31, 2015.

5. BAHR – Section I – University of Idaho – Employment Agreement – Head Soccer Coach

By unanimous consent, the Board approved the University of Idaho's multi-year employment contract for head intercollegiate women's soccer coach, Peter Showler, for a 2 year, 9 month term commencing on March 31, 2010 and terminating on December 31, 2012.

6. BAHR – Section II – University of Idaho – Amendment to Contract for Services – Fire Research and Management Exchange System (FRAMES)

By unanimous consent, the Board approved the request by the University of Idaho for authority to increase the amount of services to be delivered under the SEM, LLC contract (Service contract number 2010-343), and to authorize the Vice President of Finance and Administration of the University to execute the Amendment Number 2 to such contract in substantial conformance with the amendment form submitted to the Board in the agenda materials.

7. Moved to the regular BAHR agenda

8. IRSA – Northern Idaho Consortium for Higher Education (NICHE) Local Operations Committee – Summary Report

By unanimous consent, the Board accepted the Northern Idaho Consortium for Higher Education (NICHE) Local Operations Committee Summary Report.

9. PPGAC – Alcohol Permits Issued by University Presidents

By unanimous consent, the Board accepted the report as submitted.

10. BAHR – Section I – Eastern Idaho Technical College – New Position

By unanimous consent, the Board approved the request by Eastern Idaho Technical College for the creation of one (1) position (1.0 FTE) supported by grant funds.

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS

1. University of Idaho Annual Report – Information Item

Dr. Duane Nellis reported to the Board. He thanked the Board members for the opportunity to lead the University of Idaho. He discussed the critical mission of UI as a land-grant university. He noted that the University has applied strategic management and planning concepts to accomplish its goal even during this time of economic challenges. Dr. Nellis explained that UI

continues to serve and engage Idaho's people statewide through extension services, business partnerships, and the involvement of key practices.

The University takes seriously its role as the people's university. UI has nationally recognized faculty and students and their accomplishments have brought positive recognition to the University. Dr. Nellis shared that the University of Idaho has been featured in the national media and also in high level publications related to the bold action it has taken to position itself for a new a better future.

Dr. Nellis reported that the University of Idaho is serving more students. It had a record fall enrollment and experienced additional growth in the spring. It has the highest graduation and retention rates in Idaho. The University continues to develop and strengthen community partnerships statewide as a key component of its immediate and future-focused success.

Dr. Nellis reported that UI will graduate its 100,000 student this year. He noted that UI leads its peers in a number of signature areas including natural resources, biomedical research, and in the number of national merit scholars. UI collaborates with other entities statewide to continue strengthening Idaho's economy through competitive research dollars.

The University of Idaho strategic plan for 2010 – 2015 is called Leading Idaho. It focuses on core principles, and looks at the next quantum leap for the University. It is tied to the standards of the NWCCU.

The Board thanked Dr. Nellis his report and the University for its hospitality.

2. Presidents' Council Report – Information Item

Dr. Dene Thomas reported that the most recent Presidents' Council meetings focused primarily on two subjects. One was the national concern about the percentage of students going to college and the number completing college. She pointed out that at Idaho plans to join with Complete College America to measure those numbers.

Dr. Thomas reported that the Presidents' Council also discussed student fees, furloughs, and tenth-day reports. She also noted that the credit-transfer issue was discussed again and it was determined that problems in that regard relate primarily to the lack of communication between the people at the institutions who have the information and the new people coming into their system. The institutions are taking steps to remedy that situation.

Dr. Thomas indicated that the Presidents' Council discussed the list of peer institutions provided by NCHEMS. It was decided that each institution will look over the list and then add three aspirational peers each. At the next meeting there will be further discussions.

3. Idaho Division of Professional-Technical Education Annual Report – Information Item

Ann Stephens of the Division of Professional-Technical Education (PTE) reported to the Board. Ms. Stephens discussed the strategic goals of PTE and the efforts that have taken place to meet those goals.

Under the goal of Quality, PTE focused on continuous improvement which included providing professional development opportunities to teachers and administrators, increasing technical math options, and adopting quality indicators for the technical college system.

Under the goal of Access, Ms. Stephens reported that PTE programs start in the 9th grade and provide students with portable, stackable credentials. These credentials include technical certificates, advanced technical certificates, and the Associate of Applied Science (AAS) degree. The AAS degree can be transferred to the Baccalaureate of Applied Science (BAS) degree if that is the goal of the student.

Under the goal of Accountability, Ms. Stephens noted that one way PTE defines success is by positive placement which includes getting a job, entering the military, or continuing on with further education. She pointed out that during FY 2009, 93% of technical college completers found jobs or continued their education. She reported that the go-to-college rate for PTE completers is 63% as compared to the 45.7% go-to-college rate of the general population.

The Board thanked Ms. Stephens for her report.

4. Accountability Presentation – Information Item

Selena Grace of the Board office discussed assessment and accountability in higher education. She referred the Board to the materials in the agenda for additional details and noted that this report is one of a series of reports that the Board has requested.

5. Complete College America Alliance Of State – Information Item

Selena Grace discussed the Complete College America Alliance (CCA), noting it is focused solely on dramatically increasing the nation's college completion rate through state policy changes. In addition, it is focused on building consensus for change among state leaders, higher education, and the national education policy community. Currently, there are 21 states participating, in CCA and Idaho is one of those states.

6. 2010 Legislative Update – Information Item

Mark Browning of the Board office briefly updated the Board on the 2010 Legislative session. He referred the Board to the agenda materials for more detailed information.

7. 2011 Legislative Agenda – Information Item

Mark Browning explained that at its 2009 June meeting the Board expressed a desire to have more lead time to review and plan for the next legislative session. In response, the Presidents' Council discussed several general topic ideas at its April 2010 meeting for the Board to consider. Those ideas include long-term fiscal sustainability, operational flexibility, and employee compensation benefits.

Board member Westerberg asked if there was a place holder for performance-based budgeting. Matt Freeman of the Board office explained that Board staff will work with each institution on that effort. He indicated it could be done through legislative intent language or through the appropriation made by the Board. Mike Rush, Executive Director of the Board, noted that the ideas presented to the Board at this meeting are the type of idea that need to go to the Governor's Office the first week in August for review and approval. The performance based budget language does not fall into that category.

Dr. Rush clarified that the ideas that go to the Governor's Office will to be discussed at the June Board meeting. Board President Agidius instructed the Board members to make sure to share their ideas with Board staff as soon as possible.

Board member Edmunds asked about ideas related to the funding formulas and whether the Board should be involved in that discussion. Mr. Luna noted that there is no specific plan by the Legislature or the Governor's Office to look at the current funding formula.

Board member Lewis asked if a plan had been developed to further encourage funding for higher education with the Legislature next year. He suggested that there be a concerted plan put into place to do this.

Board member Terrell suggested this type of discussion be saved for a work session discussion.

8. State Board of Education Strategic Plan

M/S (Terrell/Edmunds): To approve the 2011-2015 Idaho State Board of Education Strategic Plan and to direct staff to continue fine tuning the performance measures and set bench marks as needed. Final performance measures and benchmarks will come before the Board at the June meeting. Motion carried unanimously.

Board member Lewis asked about the process for fine tuning the performance measures. It was clarified that once performance measures have been completed they will come back to the Board for approval. Board member Westerberg commended the committee chairman and staff for the exceptional work that has been done. Board President Agidius agreed and thanked those involved.

Board member Edmunds asked if the things in the strategic plan are the priorities of the Board. Board member Terrell noted that is where some of the fine tuning comes in. He suggested that Board members can provide additional input and clarify the intent during a work session. He noted that the dialogue on these things will be ongoing.

Board member Lewis echoed Mr. Westerberg's commendation and noted that those who worked on this effort have tried to honor what has been provided to them. He agreed that there is still room for additional discussion and consideration as to what is truly important, and in order to make sure that the document is clear to those who read it as to what is expected. Mr. Terrell agreed and noted that budget constraints and the unknowns of the future will always be factors that have to be anticipated and considered at future times.

Board President Agidius pointed out that this is a start to listing long range goals. Dr. Rush explained that the plan being approved today will be submitted to DFM in July. He pointed out that as Board staff develops benchmarks, they may have to rework some of the performance measures. The performance measures will come back to the Board in June.

Board member Edmunds asked how the key benchmarks will be set. Mr. Terrell reiterated that this will be a priority effort by the work group. He explained that there is still a lot of discussion yet to come.

9. Institution and Agency Strategic Plans

M/S (Terrell/Soltman): To approve the 2011-2015 Institutions, Agency, and Special/Health Program Strategic Plans as submitted.

Substitute M/S (Westerberg/Atchley): To tentatively approve the 2011-2015 Institutions,

Agency, and Special/Health Program Strategic Plans, with final approval taking place at the June meeting. Motion carried 7-0 (Edmunds absent during the vote).

There was lengthy discussion as to whether or not to have the institutions and agencies present their plans at this time. Tracie Bent of the Board office noted that the Board staff has reviewed all of the strategic plans and they are in substantial compliance with the Board's strategic plan.

Board member Lewis clarified that mission statements and vision statements that are found in the institution and agency strategic plans are different from what the Board has articulated as statewide role and missions for each of the institutions. He encouraged the institutions to remember that distinction. It was noted that there will be time in May during the Board's retreat for discussing the mission statements.

The Board agreed that it would be acceptable to tentatively approve the strategic plans and to postpone the presentations until the meeting in June. Mr. Westerberg reiterated that the Board plans to discuss this in more detail in May. Ms. Bent offered to provide the Board members with the supporting documents that are part of the institution and agency presentations so they could review them prior to the meeting in May.

10. Boise State University – Morrison Center Resolution

M/S (Terrell/Soltman): To approve the new Morrison Center Resolution as submitted. Motion carried 7-0 (Edmunds absent during the vote).

AUDIT COMMITTEE

1. Idaho Public Television and Friends of Idaho Public Television, Inc. – Operating Agreement

M/S (Soltman/Atchley): To approve the Foundation Operating agreement between Idaho Public Television and Friends of Idaho Public Television, Inc. as submitted, and to direct the General Manager or Board President to execute the Agreement on behalf the Board. Motion carried 7-0 (Edmunds absent during the vote).

Board member Soltman presented this item and noted that the contract had been reviewed several times. He indicated that the contract before the Board is good, and that it has passed the legal muster of all involved.

BUSINESS AFFAIRS AND HUMAN RESOURCES

At this time the Board took up Tab 5 of Section II (Finance) on the agenda.

5. Boise State University – General Revenue Bonds Issuance – College of Business and Economics (COBE)

M/S (Westerberg/Lewis): 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 add to approve a Supplemental Resolution for the Series 2010A Bonds and 2010B Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of \$1,195,000 of General Revenue Bonds, Series 2010A and \$12,895,000 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.

And to direct staff to provide written notification of final Board approval to the Joint Finance and Appropriations Committee. A roll call vote was taken; motion carried 7-0 (Board member Terrell excused himself from the vote due to a conflict of interest).

Stacy Pearson of Boise State University presented this item. She explained the information on the bonds and noted that complete details are available in the Board materials. Due to a conflict of interest, Board member Terrell excused himself from the discussion and the vote on this item.

Section I – Human Resources

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

M/S (Westerberg/Lewis): To approve the request by Boise State University to enter into a new Employment Agreement with Chris Petersen as amended. Motion carried unanimously.

M/S (Westerberg/Lewis): To approve the revisions to the deferred compensation plan as submitted, subject to the conditions and limitations set forth below:

- 1. The Plans are adopted subject to IRS approval; and**
- 2. The Board cannot guarantee the tax consequences of the plans pending IRS action.**
- 3. The Board authorizes the University to execute on its behalf applications for IRS Private Letter Rulings with respect to the plans.**

Motion carried unanimously.

Board member Westerberg presented this item. Dr. Bob Kustra, President of Boise State, and Kevin Satterlee, legal counsel for BSU, provided additional details. It was noted that none of the contract funding is from state appropriated funds. Mr. Satterlee shared a modification to the language of the contract and handed out copies to the Board for their review.

Dr. Kustra noted that employment agreement with Coach Chris Petersen is where it should be when compared to market place values. He pointed out that among the many reasons why Coach Petersen deserves this recognition is the fact that he plays a significant role in supporting and promoting the mission of BSU as a metropolitan research university of distinction. Coach Petersen also helps raise scholarship funds for academic programs as an individual. He exhibits a sincere caring and interest in the success of BSU, and also in the community and the state.

Board member Lewis recognized the accomplishments of Coach Petersen. He noted that though this is significant compensation, it is a reasonable number and Idaho is fortunate that Coach Petersen has agreed to continue in this position. Board member Lewis also commended Dr. Kustra and BSU for creating an environment that attracts and retains people of Coach Petersen's caliber.

2. University of Idaho – Faculty/Tenure Policy Changes

M/S (Westerberg/Terrell): To approve changes to University of Idaho policies on faculty

promotion and tenure as set forth in the materials submitted to the Board. Motion carried unanimously.

Board member Westerberg presented this item.

3. Amendment to Board Policy – Section II.G.6.i. – Tenure for Academic Administration – First Reading

M/S (Westerberg/Atchley): To approve the first reading of proposed amendments to Board Policy Section II.G.6.i, Tenure for Academic Administrators, as presented. Motion carried unanimously.

Board member Westerberg presented this item. He noted that it has been reviewed and vetted by CAAP.

Section II – Finance

At this time, the Board took up item 7 of the Consent agenda.

7. BAHF – Section II – Public School Facilities Cooperative Public Funding Program – Plummer Worley School District #44 – District Supervisor Report

Mr. Dave Teater briefly reported to the Board on the status of the project. Dr. Rush explained that Mr. Teater was asked by the Board to provide an initial report to the Board in person. In the future he will submit written reports and those will be forwarded to the Board on a regular basis.

1. Boise State University – Furniture, Fixtures, and Equipment Request – Center for Environmental Sciences and Economic Development (CESED)

M/S (Westerberg/Soltman): 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. Motion carried unanimously.

Board member Westerberg presented this item.

2. Boise State University – Capital Project – Renovation and Remodel – Vivarium

M/S (Westerberg/Soltman): 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. Motion carried 7-0 (Board member Terrell excused himself from the vote due to a conflict of interest).

Board member Westerberg presented this item. Board member Terrell excused himself from the discussion and vote on this item due to a conflict of interest.

3. Boise State University – Capital Project – Locker Rooms Addition to Taco Bell Arena

M/S (Westerberg/Soltman): 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. Motion carried 7-0 (Board member Terrell

excused himself from the vote due to a conflict of interest).

Board member Westerberg presented this item. Stacy Pearson indicated that BSU will not complete the project until the full amount has come in through pledges, donations, and cash amounts.

Board member Terrell excused himself from discussion and vote on this item due to a possible conflict of interest.

4. Boise State University – Ground Lease Agreement – American Campus Communities

M/S (Westerberg/Edmunds): 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. Motion FAILED 7-0 (Board member Terrell excused himself from the vote due to a conflict of interest).

Board member Westerberg presented this item. Board President Agidius noted that input from Moody's clarified that debt related to privatized student housing will affect the credit position and debt capacity of the University. Stacy Pearson provided further clarification.

Board member Terrell excused himself from discussion and vote on this item due to a conflict of interest.

6. Boise State University – Naming/Memorializing Buildings and Facilities – College of Business and Economics (COBE)

M/S (Westerberg/Edmunds): To approve the request by Boise State University to name the new College of Business and Economics building the Micron Business Building in honor of the Micron Foundation's gift. Motion carried 7-0 (Board member Lewis excused himself from the vote due to a conflict of interest).

Board member Westerberg presented this item. It was clarified that the name of the building will be Micron Business Building. Board member Lewis excused himself from discussion and vote on this item due to a possible conflict of interest.

7. University of Idaho – Railroad Property Exchange Agreement

M/S (Westerberg/Edmunds): To approve the exchange transaction with Palouse River and Coulee City Railroad in substantial conformance with the Exchange Agreement submitted to the Board, removing therefrom 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. Motion carried unanimously.

Board member Westerberg presented this item.

8. University of Idaho – Capital Project – Janssen Engineering Student Services Center Suite –

Renovations and Improvements

M/S (Westerberg/Soltman): 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 and to implement the planning and design phase of the project. Motion carried 7-0 (Board member Terrell excused himself from the vote due to a conflict of interest).

Board member Westerberg presented this item. Lloyd Mues of University of Idaho provided additional details and noted that this project will be constructed totally out of donations.

Board member Terrell excused himself from discussion and vote on this item due to a possible conflict of interest.

9. FY 2012 Line Items

M/S (Westerberg/Terrell): 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)**

Motion carried unanimously.

Board member Westerberg presented this item and noted that this is the direction provided by the Board to the agencies and institutions so they can begin preparing their FY 2012 budget requests.

Dr. Rush explained that the PTE item is listed because the Board has always treated that as the technical college workload adjustment. But, two years ago it was changed to a line item by LSO. Although the view of the Board is that it still should be a maintenance item, it is important that it be included in the budget request until the issue is resolved with LSO.

10. FY 2010 Appropriationsa. Information - Institutions & Agencies

Board member Westerberg presented this item. The 2010 legislature passed appropriation bills for the agencies and institutions of the Board. The table on Tab 10a, page 3, lists the FY 2011 appropriation bills related to the State Board of Education. Additional details for each appropriation are included in the Board's agenda materials.

b. College & Universities

M/S (Westerberg/Terrell): 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 of Tab 10b. Motion carried unanimously.

c. Community Colleges

M/S (Westerberg/Soltman): 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 of Tab 10c. Motion carried unanimously.

It was clarified that the College of Western Idaho received original seed money. The other institutions have base funding as well. In terms of how the funding will be evaluated as time goes forward, Cheryl Wright of CWI noted that the College doesn't have the ability to apply for capacity building until it has a three-year rolling average for capacity building. It will be another year before they can be included in that formula. Board member Lewis asked if it made sense for the Board to intervene and make a request that would reflect their current student population.

Matt Freeman of the Board office explained that the rolling average is a Board practice. The Board can waive that policy if they so choose. Dr. Rush pointed out that if the Board is looking at this as a line item request, something needs to be prepared and brought before the Board in June.

By unanimous consent, the Board directed staff to do so and bring it back to the June meeting.

d. Professional-Technical Education

M/S (Westerberg/Terrell): To approve the allocation of the FY 2011 legislative appropriation for the Division of Professional-Technical Education as presented on Pages 3-4 of Tab 10d. Motion carried unanimously.

e. Promise A Scholarship

M/S (Westerberg/Lewis): 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. Motion carried unanimously.

f. Promise B Scholarship

M/S (Westerberg/Atchley): 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. Motion carried unanimously.

It was clarified that this scholarship is for students attending college within Idaho.

g. Opportunity Scholarship

M/S (Westerberg/Terrell): 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. Motion carried unanimously.

It was clarified that this is primarily for renewals.

M/S (Westerberg/Soltman): 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. Motion carried unanimously.

M/S (Westerberg/Atchley): 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 nonfederal 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. Motion carried unanimously.

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

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

Board member Westerberg presented this item.

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

M/S (Westerberg/Atchley): To approve the second reading of the proposed amendment to Board Policy V.B. as submitted. Motion carried unanimously.

Board member Westerberg presented this item.

Board member Lewis asked about the due date for notifying JFAC and the Governor's office related to occupancy costs. He suggested that the penalty not be quite as severe as to lockout the institution permanently. It was clarified that this point was emphasized by the JFAC chairs at the meeting that was held with them. Dr. Rush explained that this is a process agreement; it's not in statute so there always an option to beg forgiveness. The emphasis is on improving the process and the notice. Board member Lewis recommended further discussion with JFAC on this matter.

13. Student Health Insurance Contract

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

Board member Westerberg presented this item. Bill Burns from the Division of Purchasing for the State of Idaho discussed the student health insurance program. He noted that this year, as they worked with the universities and colleges, it was determined they wanted to work as a

consortium. A method called best value procurement was used. He provided information about that process.

Mr. Burns pointed out that this is a three year contract with seven one-year renewals, subject to mutual agreement between the parties. The consortium includes BSU, ISU, and LCSC. This effort creates an effective solution for the universities. It reduces the institutions administrative costs and increases student satisfaction. Mr. Burns explained that this effort leveraged the buying power of the universities because they are working as one group for the benefit of the whole. It was noted that there is a public agency clause in the contract if another institution wants to join.

By unanimous consent, the Board agreed to take up 1 of the IRSA Agenda.

1. i-STEM Presentation – Information item

Melinda Harrison was introduced to discuss i-STEM. She reported that the focus of i-STEM is to advance STEM (Science, Technology, Engineering, and Math) in Idaho through a collaborative effort with other stakeholders. The stakeholder group agreed on the necessity to provide resources that help students develop the understanding and skills needed to participate, contribute, and compete in the workforce. It was determined that resource and development centers should be established statewide, one in each of the six regions. These resource centers would provide physical resources to teachers in their classrooms to teach these interdisciplinary programs. They would also provide virtual resources to the teachers and also professional development opportunities for teachers to learn how to incorporate STEM core content into the curriculum they teach.

This summer, two i-STEM teacher academies will be offered; one at North Idaho College and another at the College of Southern Idaho. All the teachers who attend will be provided materials to take back into the classroom. Ms. Harrison noted that progress has been made possible because all the partners involved are interested in seeing changes made.

State Superintendent Luna complemented the INL for their participation and leadership in pulling these projects together.

At this time the Board returned to the BAHF Finance Agenda

14. American Recovery and Reinvestment Act – State Fiscal Stabilization Fund and Education Reform Assurances – Information Item

Board member Westerberg presented this information item. Matt Freeman pointed out that when the Governor accepted the federal stimulus money, he made certain assurances. One of them involved the creation of the longitudinal data system. Mr. Freeman explained that even if the funds are provided to create the system, it will be hard to meet the timeline and the due date. This is an issue the Board staff is working to resolve.

15. Idaho State University – Administrative Cost Reductions

M/S (Westerberg/Lewis): 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. Motion carried unanimously.

Board member Westerberg presented this item. Jim Fletcher of Idaho State University provided background information and noted that one of the objectives in ISU's budget reduction plan is to implement aggressive transformational change which includes reducing administrative costs and better managing available resources. This aggressive effort involves changes in structure of ISU as well.

Mr. Fletcher explained that three main task forces were appointed to address the issue of efficient use of resources. A fourth task force was appointed to review overlapping issues. The task forces worked from November 2009 to February 2010. Mr. Fletcher indicated that several hearings and a public forum were held. Also a video of the public forum was posted on the internet for those unable to attend. The task force reports and recommendations were also posted on the internet. A plan was submitted to the President.

Mr. Fletcher reported that 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.

Mr. Fletcher pointed out that the new organizational structure will not impact degrees and scheduling, but will provide lower administrative costs and more self-governance for the faculty. He indicated that nationally, a number of other universities have reorganized in similar ways to achieve similar advantages. Significant annual administrative cost reduction savings of about \$900,000 will be achieved from implementing this new structure.

Board member Edmunds noted that the Board had received a letter from the Engineering Advisory Council expressing concerns. Idaho State University President, Dr. Art Vailas explained that in the case of Engineering, an external review was conducted. Based on the review and based on the fact that the College had only 20 people, there were a number of accreditation issues that needed to be addressed. Dr. Vailas indicated that ISU had the choice to either close down the College altogether or to look at a way to collaborate with other programs. He noted that no degrees are being changed and the faculty will remain. He has encouraged the faculty to give this approach time to work. Dr. Vailas explained that he is confident this will strengthen engineering, not weaken it.

State Superintendent Luna noted that the letter from the advisory council expressed concerns about the growth of the College of Engineering. Dr. Vailas indicated that he anticipates that student and program delivery will increase because it opens the doors for other sciences to contribute their curriculum. Some of this has already happened. He noted that if Engineering is left as is, it will lose its ability to grow. This structure will focus on shared resources.

Tracie Bent of the Board office explained that in Board policy there is a process that outlines the creation or the removal of academic units. She explained that this reorganization proposal entails doing both at the same time. If policy isn't waived, the process would entail going through the full Notice of Intent process which is lengthy. Dr. Vailas indicated that this effort has been underway for some time. He explained that as ISU reorganizes, it is also downsizing.

Dr. Vailas explained again the approach used at ISU is based on the President's authority to address the fiscal situation. He has openly stated the problem to everyone at the University. Dr. Vailas pointed out that as President, he chose to use the process of using task forces to study the problem, which is a standard approach. He noted out that the experts gathered input from the various constituents and made recommendations. He clarified that it is not the intent of the

University to add programs or expand the Health Professions programs. This is a reorganization of the current programs which includes consolidation of programs. Dr. Vailas pointed out that any kind of expansion of any program would come before the Board.

Board member Terrell raised a question about the possibility of moving the technical programs out of ISU to EITC. Dr. Vailas indicated that many large universities have technology colleges embedded within them. The College of Technology at ISU is productive and has various partnerships and interconnectivity with the workforce and technology businesses in the region, such as the INL. These relationships provide distinct advantages to the students at ISU. They allow them to have greater access and also potential for future expansion.

Board member Terrell requested a list of universities with similar types of programs and infrastructure. Dr. Vailas agreed to forward those to Mr. Terrell.

16. Waiver of Board Policy V.R. – Establishment of Fees

M/S (Westerberg/Terrell): To approve the waiver of Board Policy Section V.R.3.a.x., for the summer of 2010. Motion carried unanimously.

Board member Westerberg presented this item.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

1. Moved further up on the agenda

2. College of Western Idaho – Request for Approval of General Education Degrees

M/S (Edmunds/Lewis): To retroactively approve the request from the College of Western Idaho to offer the academic degrees as shown in Attachment 1 beginning January 20, 2009, and a motion to approve the request to add additional degrees for the 2010-2011 academic year as shown in Attachment 1. Motion carried unanimously.

Board member Edmunds presented this item.

3. College of Western Idaho – Request for Approval of Termination of Designated Professional-Technical Education Programs

M/S (Edmunds/Lewis): To approve the request from the College of Western Idaho to terminate the designated professional-technical education programs as shown in Attachment 1 effective immediately. Motion carried unanimously.

Board member Edmunds presented this item. He noted these are programs that have no students in them.

4. Idaho State University – Approval of Full Proposal: New Doctoral Program – Ph.D., Microbiology

M/S (Edmunds/Westerberg): To approve the request by Idaho State University to implement the Ph.D. in Microbiology. Motion carried 6-2 (Soltman and Agidius voted Nay).

Board member Edmunds presented this item. He noted that it had been vetted in CAAP. Gary

Olson of Idaho State University reported that this is a specialty field within Biology and will make it possible to put on the transcript the work the student has actually done. He indicated that no additional dollars are needed. It was clarified several times that ISU is already offering the coursework under the broader name of Biology. There is no duplication because its area of emphasis is one that is not offered elsewhere in the state. This is also consistent with ISU's eight-year plan.

Provost Doug Baker of the University of Idaho was asked about the concern UI had with this proposal. He explained that the issue had to do with the number size of the faculty and ISU's ability to support the program. He noted that UI was not concerned about competition because at this level students come from the national level.

Board member Terrell raised a concern that a segment of this program may be moved to western Idaho. Dr. Vailas indicated that this degree will be delivered in Pocatello. Dr. Olson reiterated that this degree will reflect the studies the student has pursued already. He explained that the course work that is currently being offered at ISU has been available for many years. It is a process that has evolved over the years as the sciences have advanced and specialized.

Board member Lewis noted that duplication needs to be looked at with the right perspective because there are instances where it is appropriate. He pointed out that ISU's mission is to provide health professions and biological or physical sciences. If the Board has concerns about the programs being offered in the Treasure Valley, the Board staff should review the ISU programs in the Treasure Valley to make sure the correct procedures were followed in bringing those programs into this area. Board member Lewis pointed out that the eight-year plans are intended to give the Board the information necessary to understand the future intentions of the institutions. It is up to the Board to know what is in those plans.

Dr. Olson explained that Biology is a wide field that includes many areas of study. There has been an evolution as the climate has changed. Dr. Vailas agreed that science morphs very quickly. He explained that the Biology field at ISU, through its partnerships with INL, has changed. He suggested that it is important to encourage the institutions to grow.

5. University of Idaho – Approval of Notice of Intent: College of Natural Resources – Administrative Reorganization of College Departments

M/S (Edmunds/Terrell): To approve the request by the University of Idaho to reorganize the College of Natural Resources as set forth in the attached Notice of Intent. Motion carried unanimously.

Provost Doug Baker discussed the steps that the University has undertaken over the past two years to restructure and reconfigure departments in order to streamline its management structure. This is one of the steps in that process.

6. University of Idaho – Approval of Notice of Intent: College of Art and Architecture – Administrative Reorganization of College Departments

M/S (Edmunds/Terrell): To approve the request by the University of Idaho to reconfigure the College of Art and Architecture as set forth in the attached Notice of Intent. Motion carried unanimously.

Board member Edmunds presented this item.

7. Rural Physicians Incentive Program Awards – Information Item

Board member Edmunds presented this item. He noted that awards went to eligible physicians with the understanding that they will be required to renew their application showing continuing eligibility each year.

8. Statewide Strategic Plan for Higher Education Research – Information Item

Board member Edmunds presented this item. Dr. John McIver was introduced to provide additional details. He is the Vice President of Research at the University of Idaho. Dr. McIver noted that the intent of this effort is to raise the stature of the universities in the area of research, to enhance opportunities for greater external funding, to work more collaboratively with the other research departments, and to build on strengths to achieve the research vision for Idaho's universities. He briefly discussed the plan and indicated that it will come before the Board in June.

9. Recommendation for FY 2011 HERC Budget – Information Item

Board member Edmunds presented this item. He provided the background to the revisions that are being proposed to the Board's policy on Higher Education Research.

10. First Reading – Proposed Amendments to Board Policy III.W., Higher Education Research

M/S (Edmunds/Atchley): To approve the first reading of proposed amendments to Board Policy III.W. Higher Education Research to include the restructure of HERC. Motion carried unanimously.

11. First Reading, New Board Policy III.A.B., Rural Physicians Incentive Program Committee

M/S (Edmunds/Terrell): To approve the First Reading of new proposed Board Policy III.A.B., Idaho Rural Physician Incentive Program Oversight Committee as presented. Motion carried unanimously.

12. First Reading, Proposed Addition to Board Policy III.P., Students

M/S (Edmunds/Luna): To approve the first reading of the proposed addition to Board Policy III.P., Students. Motion carried unanimously.

13. Second Reading, New Board Policy III., A.A., Accountability Oversight Committee

M/S (Edmunds/Atchley): To approve the second reading of Board Policy III. AA., Accountability Oversight Committee as submitted.

Substitute Motion/S (Lewis/Westerberg): To approve the second reading of Board Policy III. AA., Accountability Oversight Committee as submitted with the amendment in such policy to read as follows under section 4. Bullet 3: "Four members recommended by the Governor and appointed by the Board, one of whom will chair the committee, who shall serve as Chairman for a term of one year." Motion carried unanimously.

Board member Edmunds presented this item. It was clarified that the Chair serves a one year-term as Chair.

DEPARTMENT OF EDUCATION1. Superintendent's Update

State Superintendent Luna indicated that in the interest of time he will wait until June to provide an update to the Board.

2. School District Property Alteration – Meridian and Kuna

M/S (Luna/Terrell): To not accept the findings and conclusions in the recommended order issued by the hearing officer and to approve the excision and annexation of property from the Kuna School District to the Meridian Joint School District.

Substitute M/S (Luna/Terrell). To not accept the findings and conclusions in the recommended order issued by the hearing officer and to approve the excision and annexation of property from the Kuna School District to the Meridian Joint School District. The Board finds that there are errors in the hearing officer's report including the number of acres proposed, which is eight (8) acres, not sixty-four (63). Further, the Board concludes that it is in the best interest of the children to approve the proposal because the proposed boundaries follow logical divisions and should not separate families. Motion carried unanimously.

Mr. Luna presented this item. He noted that the recommendation from the investigator was to not approve this. However, additional information came to light that was not in the report. In retrospect it is clear this change would be in the best interest of the students.

3. School District Property Alteration – Plummer/Worley and Coeur d'Alene

M/S (Terrell/Atchley): To accept the findings and conclusion and recommendations of the hearing officer dated March 24, 2010 and to reject the petition for the excision and annexation of property from the Plummer-Worley School District to the Coeur d'Alene School District based on the size of the proposed area for excision and annexation being in excess of the statutory maximum area under Idaho Code, Section 33-308. Motion carried unanimously.

4. School District Property Correction – West Bonner and Lakeland

M/S (Terrell/Soltman): To approve the correction of the boundary legal description between the West Bonner County Joint School District to the Lakeland School District. Motion carried unanimously.

5. Idaho Content Standards for Science – Information Item

Mr. Luna presented this item. He noted that the Department reviews standards on a regular basis. A committee has reviewed the science standards and it was determined that no changes were necessary

6. Proposed Rule – IDAPA 08.02.03.004 – Rules Governing Thoroughness – Incorporated by Reference – Content Standards6a. Revision of Information – Communication and Technology Standards

M/S (Terrell/Luna): To approve the Idaho Content Standards for Information and Communication Technology as submitted. Motion carried unanimously.

M/S (Terrell/Lewis): To approve the proposed rule change to IDAPA 08.02.03.004, Rules Governing Thoroughness to incorporate by reference the Idaho Content Standards for Information and Communication Technology. Motion carried unanimously.

6b . Revision of Math Standards – Common Core

M/S (Terrell/Soltman): To approve the Idaho Content Standards for Math as submitted. Motion carried unanimously.

M/S (Luna/Edmunds): To approve the proposed rule change to IDAPA 08.02.03.004, Rules Governing Thoroughness to incorporate by reference the Idaho Content Standards for Math. Motion carried unanimously.

6c. Revision of English Language Arts Standards – Common Core

M/S (Terrell/Lewis): To approve the Idaho Content Standards for English Language Arts as submitted. Motion carried unanimously.

M/S (Luna/Atchley): To approve the proposed rule change to IDAPA 08.02.03.004, Rules Governing Thoroughness to incorporate by reference the Idaho Content Standards for English Language Arts. Motion carried unanimously.

7. Proposed Rule – IDAPA 08.02.02.018 – Rules Governing Uniformity – Standard Elementary Certificate

M/S (Luna/Edmunds): To approve the proposed rule change to IDAPA 08.02.02.018, Rules Governing Uniformity – Standard Elementary Certificate. Motion carried unanimously.

8. Appointments to the Professional Standards Commission

M/S (Luna/Edmunds): To approve Esther Henry as a member of the Professional Standards Commission effective July 1, 2010 for a term of three years, representing secondary classroom teachers. Motion carried unanimously.

M/S (Luna/Atchley): To approve Shelly Rose as a member of the Professional Standards Commission effective July 1, 2010 for a term of three years, representing school counselors. Motion carried unanimously.

M/S (Luna/Edmunds): To approve Kelly Leighton as a member of the Professional Standards Commission effective July 1, 2010 for a term of three years, representing exceptional child education. Motion carried unanimously.

M/S (Luna/Lewis): To approve Mikki Nuckols as a member of the Professional Standards Commission effective July 1, 2010 for a term of three years, representing secondary classroom teachers. Motion carried unanimously.

9. George Fox University – Master of Arts in Teaching – Focused Review Team Report

M/S (Luna/Soltman): To accept the State Review Team Report, thereby granting program approval of the Master of Arts in Teaching (MAT) program in visual and performing art, foreign languages, physical education, and health at George Fox University. Motion carried unanimously.

Board member Lewis asked for clarification as to the Board's responsibility to George Fox University. Dr. Rush explained that in order to maintain their status as an Idaho approved program and produce graduates eligible for Idaho teacher certification, George Fox University must offer teacher preparation programs adequately aligned to state standards. The acceptance of the review team's report provides for that.

10. Idaho Department of Correction – Robert Janss School Waiver Request

M/S (Luna/Atchley): To approve the request by the Department of Correction's Robert Janss School to waive on an ongoing basis IDAPA 08.02.03.105.01.c which requires lab based science requirements for students graduating from the school and to allow students at the school to graduate with six science credits, all of which will be non- lab based science courses. Motion carried unanimously.

At this time, the Board took up the election of officers for the Board of Education to serve for the 2010-2011 year

ELECTION OF OFFICERS FOR THE STATE BOARD OF EDUCATION

M/S (Edmunds/Luna): To appoint Richard Westerberg as President of the Board of Education for the coming term. Motion carried 7-0 (Westerberg did not vote).

M/S (Lewis/Soltman): To appoint Ken Edmunds as the Vice President of the Board for the coming term. Motion carried 7-0 (Edmunds did not vote).

M/S (Terrell/Luna): To appoint Don Soltman as the Secretary for the Board for the coming term. Motion carried 7-0 (Soltman did not vote).

The Board members thanked Paul Agidius for his work this past year as President.

OTHER BUSINESS

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

M/S (Terrell/Soltman): To adjourn the meeting at 6:10 p.m. Motion carried unanimously.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
April 27, 2010
Special Teleconference Meeting
Boise, ID**

A special teleconference meeting of the State Board of Education was held April 27, 2010. It originated from the Board office in Boise Idaho. Board President Richard Westerberg presided and called the meeting to order at 11:05 a.m. A roll call of participants was taken.

Present:

Richard Westerberg, President

Ken Edmunds, Vice President

Don Soltman, Secretary
Milford Terrell
Superintendent

Paul Agidius
Tom Luna, State

Absent:

Emma Atchley
Rod Lewis

BUSINESS AFFAIRS AND HUMAN RESOURCES

1. University of Idaho - Request for Approval of Settlement Agreement

M/S (Terrell/Agidius): To approve the settlement considered by the Board in executive session and to authorize University of Idaho to sign all necessary settlement documents. Motion carried unanimously.

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

M/S (Terrell/Luna): To adjourn at 11:10 Terrell/Agidius. Motion carried unanimously.