

1. Agenda Approval

Changes or additions to the agenda

2. Minutes Approval

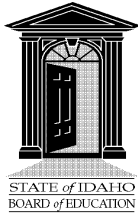
BOARD ACTION

A motion to approve the minutes from the December 8-9, 2010 Regular Board meeting, the January 6, 2011 Special Board meeting, the January 21, 2011 Special Board meeting, the January 28, 2011 Special Board meeting, and the February 2, 2011 as submitted.

3. Rolling Calendar

BOARD ACTION

A motion to set February 15-16, 2012 as the date and Boise State University as the location for the February 2012 regularly scheduled Board meeting and to amend the location of June 22-23, 2011 meeting from the College of Western Idaho to the College of Southern Idaho.



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
North Idaho College
1000 West Garden Avenue
Student Union Building
Lake Coeur d'Alene Room, 2nd Floor
Coeur d'Alene, ID**

A regularly scheduled meeting of the State Board of Education was held December 8-9, 2010 at North Idaho College in Coeur d'Alene, Idaho.

Present:

Richard Westerberg, President
Don Soltman, Secretary
Emma Atchley
Rod Lewis

Ken Edmunds, Vice President
Paul Agidius
Milford Terrell
Tom Luna, State Superintendent

Wednesday, December 8, 2010

The Board met for Executive Session at 5:30 p.m. at the Holiday Inn Express, 2300 Seltice Way in Coeur d'Alene.

M/S (Agidius/Atchley): As Trustees for Lewis-Clark State College, the Board moved to enter into Executive Session at 5:30 p.m., pursuant to Idaho Code Section 67-2345(1) (f) in order to communicate with legal counsel for the public agency to discuss legal ramifications of and legal options for pending litigation, or controversies not yet being litigated, but imminently likely to be litigated. A roll call vote was taken. Motion to go into Executive Session carried 6-0. Initially Tom Luna and Ken Edmunds were absent; all others were present. (Mr. Edmunds joined the meeting at 5:34 and Mr. Luna joined the meeting at 5:38).

M/S (Soltman/Edmunds): To go out of Executive Session at 6:00 p.m. and adjourn for the evening. Motion carried unanimously.

While in Executive Session, the Board communicated with the legal counsel for Lewis-Clark State College and discussed matters of possible litigation.

Thursday, December 9, 2010

The Board convened at 8:30 a.m. at North Idaho College in the Lake Coeur d'Alene Room of the Student Union Building for regular business. Board President Richard Westerberg called the meeting to order and introduced the agenda. He noted that Senator Jim Hammond was in the audience. He pointed out that Executive Director Rush was unable to attend the meeting; Matt Freeman from the Board office sat in for him.

In addition, by unanimous consent, the order of the agenda was changed to allow President Bell's North Idaho College presentation to be moved to the end of the PPGAC agenda in order to accommodate a prior commitment.

Mr. Westerberg took a few minutes to commend the institutions and agencies for accomplishments and noteworthy achievements that have occurred recently.

BOARDWORK

1. Agenda Review

M/S (Terrell/Soltman): To amend the agenda to add an agenda item regarding athletic program financing. The item was not included in the original posted agenda because it had not been determined at that time the need for review of the institutions' athletic program financing prior to the next scheduled Board meeting, for purposes of institution planning. Motion carried unanimously.

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

2. Minutes Review

M/S (Edmunds/Atchley): To approve the minutes from the September 28, 2010 Special Board meeting, the October 13-14, 2010 Regular Board meeting, and the November 17, 2010 special Board meeting as submitted. Motion carried unanimously.

3. Rolling Calendar

M/S (Edmunds/Terrell): To set December 7-8, 2011 as the date, and the College of Western Idaho as the location for the December 2011 regularly scheduled Board meeting. Motion carried unanimously.

OPEN FORUM

There were no Open Forum requests.

CONSENT AGENDA

M/S (Soltman/Agidius): To approve the consent agenda items as posted. Motion carried unanimously.

1. Boise State University – New Positions and Changes to Positions

By unanimous consent, the Board agreed to approve the request by Boise State University for nine (9) new positions (9.0 FTE) and to increase in term of five (5) positions (5.0 FTE) supported by appropriated, grant, and local funds.

2. Idaho State University – New Positions

By unanimous consent, the Board agreed to approve the request by Idaho State University for two (2) new positions (2.0 FTE) supported by grant and local funds.

3. University of Idaho – New Positions

By unanimous consent, the Board agreed to approve the request by the University of Idaho to create four (4) new positions (4.0 FTE) supported by appropriated and non-appropriated funds.

4. Alcohol Permits Issued by University Presidents

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

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS

1. North Idaho College – Annual Report

This item was postponed until the end of the Planning, Policy, and Governmental Affairs agenda in order to accommodate a prior commitment of Dr. Bell's.

2. Presidents' Council Report

President Burton Waite of Eastern Idaho Technical College presented the report on behalf of the institutions. Mr. Waite referred the Board to the summary report that was provided to them in the agenda materials. In addition, Mr. Waite reported that a video conference meeting was held recently. It was successful and also efficient in terms of costs and travel time so they plan to use that means of meeting again.

3. ACT Annual Report

Board member Soltman presented this item. Stacey Ellmore was introduced to make the report. She is Idaho's ACT representative. Ms. Ellmore provided background information to the Board and noted that Idaho was one of the first states to adopt the ACT back in 1959. A packet of information, including hard copies of the slide presentation, was provided to the Board in their agenda materials.

Ms. Ellmore reported on the test results for Idaho's class of 2010. She explained that as students meet the college readiness benchmarks, the remediation rate for students goes down. She noted that ACT supports Idaho's college and career readiness initiatives. In terms of results, Ms. Ellmore indicated that those states that have required the ACT have seen an increase in the numbers of students going onto college.

Board member Lewis noted that the Board instituted a policy requiring all of Idaho's students to take either ACT or COMPASS in 2013. He emphasized the importance of making sure

legislators and others responsible for setting state budgets recognize the importance of directing funds towards these types of efforts in the future.

State Superintendent Luna pointed out the need to understand that there will always be students who see little relevance in taking the test, or being successful in test-taking. He noted the importance of helping students to change that viewpoint.

Mr. Edmunds suggested that the ACT might be used as the common college readiness assessment tool for the state. Mr. Lewis clarified for the Board, with respect to existing policy and rule, that in 2013 students will have the option to take the ACT, SAT, or COMPASS to meet graduation requirement.

4. State Board of Education Strategic Plan

M/S (Soltman/Terrell): To approve the 2012-2016 Idaho State Board of Education Strategic Plan as submitted and to authorize the Executive Director to finalized benchmarks as necessary. Motion carried unanimously.

Board member Soltman introduced this item. He noted that the strategic plan has been worked on over the past year and thoroughly fine tuned to include input from various groups. Board staff will continue to work with institutions and agencies to finalize the benchmarks. A copy of the current plan is provided in the Board agenda. Board member Westerberg thanked Board staff for their work and for the planning calendar.

5. Institution Emergency Operations Plans

Board member Soltman presented this item. He noted that the institutions' plans need to be updated in a manner consistent with the National Incident Management System (NIMS). The institutions were invited to share briefly about the status of their existing plans.

Kevin Satterlee reported that BSU's plan is institutionalized. Table-top exercises are periodically conducted. The emergency response system has been implemented several times in the recent past and it has worked very well.

Tony Fernandez reported that LCSC's plan is in place. It has been implemented as well. Each time it is implemented, it is reviewed to identify weaknesses. It is also reviewed on an annual basis.

Jerry Beck reported that CSI's plan is tested regularly. It has been used recently. Regarding the notification system, students are now required to opt out of being notified rather than opting in. Dr. Beck noted that other entities are located on the CSI campus so efforts are made to coordinate with them to ensure there is no confusion on anyone's part as to what the alarms mean.

Burton Waite reported that EITC has run mock emergencies. It also has a committee that meets quarterly to review how the plan is working and to make recommendations for improvement. EITC works closely with the local emergency folks in their region as well. Mr. Burton noted that EITC has reviewed the NIMS requirements to see how EITC lines up, and changes will be made where necessary.

Lloyd Mues reported that UI has an effective plan. Relevant exercises of various kinds are conducted on a regular basis to make sure all points are covered. UI works closely with

Homeland Security to ensure UI's plan lines up. UI uses its plan for every type of emergency. It trains hard and is active in preparing.

Art Vailas reported that ISU has a committee for public safety. Drills are conducted annually with the local emergency responders. Training is conducted for responders as well. The emergency response and notification systems are tested monthly. It has favorably passed the Homeland Security protection audit.

Rick Aman reported that CWI has a written emergency response plan and it has been distributed to both students and staff. The plan continues to be revised and improved. Table-top exercises are conducted. CWI has had to implement its plan several times. As far as NIMS requirements, CWI will need to explore further to see where it is in terms of compliance.

6. Athletic Scheduling

M/S (Edmunds/Lewis): To approve delegating the decisions about scheduling athletic games and opponents to the chief executive officers of the respective institutions. Motion carried unanimously. Motion carried 5-3 (Agidius, Soltman, and Atchley voted Nay).

Mr. Soltman introduced this item. He noted that there is quite a bit of discussion underway on this subject, specifically in terms of BSU and UI continuing the tradition of playing a football game each year.

President Nellis of the University of Idaho was invited to comment on this. He agreed that this is a time of transition for BSU. Nevertheless, BSU and UI have a long tradition of playing football against one another and that game results in economic advantages for the state. He urged the Board to encourage the yearly games to continue.

7. ISBA Legislative Agenda

Board President Westerberg reminded the Board about previous discussions as to the best way for the Board members to be made aware of possible legislative proposals related to education that come up on different fronts. He noted that this agenda item pertains to a number of legislative actions that the Idaho School Board Association (ISBA) plans to bring forward during the 2011 legislative session. By having this as on the agenda, the ISBA can communicate the purpose of the various legislative proposals it is working on.

Board member Terrell indicated that his understanding is that without seeing the resolution, the Board is not able to take a position.

Jessica Harrison of ISBA was introduced to discuss the resolutions for the benefit of the Board members. Ms. Harrison provided an overview of the ISBA and its focus on providing quality, cost-efficient services to association members. She briefly reviewed the resolutions. Additional detail was provided to the Board in their agenda materials.

Matt Freeman of the Board office asked Ms. Harrison if ISBA intends to RS all these concepts. Ms. Harrison indicated that is the ISBA's intent. Mr. Freeman indicated that even through there is nothing official in terms of legislation for the Board to look at the Board could choose to support the concept.

Board member Edmunds indicated that without an opportunity to have more in-depth discussion

or to hear from other constituent groups, he is reluctant to take action on these items. Mr. Westerberg pointed out that many of these items will come before the legislature, with or without input from the Board. And, Board staff will be asked to comment on them. He reminded the Board that it was indecisive at the previous Board meeting as to what process should be followed related to reviewing upcoming legislation. He indicated that today's presentation was an effort to bring concepts before the Board for information and understanding.

Board member Terrell indicated that the Board can continue to work with ISBA on these concepts, but he doesn't want to disillusion them as to the Board's agreement or disagreement with the legislation.

Board member Lewis noted that he appreciates the value of the Board taking a position with respect to these items. The problem is that there is a lot of detail and a need to have a better understanding of what the final language of the RS's will be. He suggested that there needs to be more lead time to study this.

Board member Terrell indicated he hasn't heard where SDE is going in terms of these specific items. He said it would be beneficial to have their input. Mr. Luna indicated that SDE works closely with ISBA and there are a number of these SDE will work on and help promote. Mr. Luna also noted that this association does not answer to this Board. In terms of the Board's response or next step, is up to the Board to decide. But the association and others like it do not need the Board's support to go forward.

Board President Westerberg reiterated that this agenda item was an attempt to bring legislative information to the full Board in order to make sure all the members had advanced opportunity for input on future legislation. He emphasized that the Board needs to identify the process it wants in place process to do that.

8. Board Policy I.E. – First Reading

M/S (Soltman/Agidius): To approve the second reading of proposed amendments to Board Policy Section I.E., Executive Officers, as submitted. Motion carried unanimously.

Board member Soltman introduced this item.

9. Board Policy I.J. – First Reading

M/S (Soltman/Edmunds): To return this policy to staff and bring it to the Board in February as the first reading. Motion carried unanimously.

Board member Soltman introduced this item. Tracie Bent of the Board office discussed the changes. She pointed out that in reviewing the amendment to the policy it was noted that UI's practice of allowing underage family members into the President's tent location where alcohol was being served was a violation of the Board's policy. As a result, additional changes in the amendment were made to address this and those changes are substantive in nature.

Kent Nelson, legal counsel for the University of Idaho, came forward to provide more information to the Board. Mr. Nelson noted that the redraft has substantial changes. He referred to the language in subparagraph C that notes that even though this policy is in place, the institutions will continue to come forward to the Board each year and allow for Board review. In addition, in section II.3.1 where there was a bar on minors in the service area, it was changed that for events where there would be minors, it would require specific approval from the Board each year

which is how it has been done in the past.

Board member Lewis observed that the inclusion of language to present the proposal every year is helpful. He expressed concerns about the third sentence where it says that the Board will review the proposals. He noted that it appears, by the way it is written, that the criteria will be used as guidelines. He suggested that it needs to be more clearly stated. Mr. Lewis indicated that in the past when the criteria were set forth it was clear that advertising would not be allowed and that needs to be included in this policy as well.

Board member Agidius asked for clarification as to the points to be addressed in the reassessment of the amendments. Board member Lewis indicated that the change from “minimum requirements” to “criteria” should be reversed; it needs to remain as minimum requirements. Second is a change in nuances, in allowing persons below the legal age to be in the defined areas. Board member Terrell noted that the issue of advertisement be addressed as well and be clarified in the policy.

Board member Soltman explained that the amendments were written to reflect the Board’s current practice. Board member Agidius indicated that he wants to see Board approval if there are minors in the area where alcohol is being served. Ms. Atchley noted it is important to remember that these events are invitational events, not public events. She suggested the policy can be written to reflect and understanding of that fact. She referred to section I.1 for the benefit of the Board.

1. NIC College Report

Dr. Priscilla Bell reported to the Board. She discussed the College’s regional footprint in north Idaho. NIC’s comprehensive annual impact in 2010 was 24,520. That includes the credit enrollment programs, workplace training, and outreach. NIC is on target for another record enrollment in spring term. Student success and teaching excellence are the focus of NIC.

Dr. Bell reported that NIC’s Business Professionals of America chapter placed participating students nationally at the highest levels and has done so over the years. In addition, students in Phi Theta Kappa and INBRE have demonstrated outstanding achievement and accomplishments this past year as well. Dr. Bell shared that NIC has many outstanding instructors. She mentioned several who were being recognized for their achievements.

Dr. Bell reported that NIC is meeting regional needs in new ways. The College served as a pilot for the POST (Police Officers Academy) which has filled a niche in north Idaho. It was very successful and translated into a regular program. Another effort to meet regional needs is the Flexible Learning Center which served an increasing number of students.

Another effort, the I-BEST program, is modeled after programs in Washington which allows GED students to simultaneously participate in GED instruction and technical instruction and get their GED certificate and their technical certificate at the same time. This is the first I-BEST program in the state. NIC has been notified it will receive additional funding to continue this effort.

Dr. Bell discussed the future of NIC. She noted that the classrooms and labs are being utilized at an astonishing rate and are maxed out. NIC plans to expand to other locations when the economic climate allows. The Education Corridor plans are well underway. In addition, expansion in Rathdrum to the Kootenai Technical Education Campus will allow NIC to serve more students.

State Superintendent Luna asked about the impact of remediation on NIC and its ability to meet its mission. Dr. Bell noted that remedial education is costly. NIC sees a lot of high school graduates needing remediation, particularly in math. She explained that a number of these students are lacking in just one or two targeted areas. The thought is that those students could be enrolled in targeted modules rather than having to take an entire course. NIC is working on putting that type of effort in place. NIC has determined that the COMPASS test is useful in identifying specific areas of weakness.

Dr. Bell reported that NIC worked with the Albertson Foundation on how to use the funds that were awarded to the College. It plans to distribute them over the next few years. NIC also got approval from the Albertson Foundation to award funds to students in the workforce training program. Dr. Bell indicated that NIC has allocated their annual portion of that award. In addition, NIC's own foundation awarded about \$600,000 in scholarships this year.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Section I – Human Resources

1. Revisions to Model coach Contracts and Amendment to Board Policy

M/S (Terrell/Agidius): To approve the second reading of Board Policy Section II.H., Policies Regarding Coaching Personnel and Athletic Directors, and documents incorporated by reference therein, as presented. Motion carried unanimously.

Board member Terrell presented this item.

2. Optional Retirement Plan – VALIC – Conversion to Mutual Fund Platform

M/S (Terrell/Soltman): To approve the request by VALIC to offer mutual funds as an alternative investment vehicle as part of the Board's Optional Retirement Plan, 403(b) and 457 plans, subject to final review and approval of the plan and related documents by the Board Chief Fiscal Officer and legal counsel. Motion carried unanimously.

Board member Terrell introduced this item. Matt Freeman of the Board office introduced Tony Cotton from VALIC to provide additional detail. Mr. Cotton overviewed the VALIC platform. He noted that one of his responsibilities, related to the university system, is to bring forward the best option possible. He pointed out that the VALIC proposal includes a migration from its current annuity platform to a mutual fund platform. This would allow for greater investment returns. Mr. Cotton explained the mechanics of how this will work. The anticipated live date for adding the mutual fund product is March 1, 2011 so VALIC will need executed agreements by February 1, 2011.

Section II – Finance

1. Net Asset Balances – College and Universities

Board member Terrell introduced this item. He noted it was an information item. Matt Freeman of the Board office explained that the unrestricted net assets report is one that the Board office has produced for a number of years. It is transmitted to the Legislature as well.

Mr. Freeman reported that during the 2010 session, he and Executive Director Rush met with the co-chairs of JFAC to discuss how the Board should rework the net assets report. Five

percent was identified as the minimal level of net asset reserves. Mr. Freeman indicated that the latest report was presented to the JFAC co-chairs in November 2010. While the JFAC co-chairs did not comment directly on the 5% level, discussions it was indicated that they were comfortable with that number. Board member Terrell pointed out that the institutions are comfortable with that number as well.

There was general discussion about timelines for having a plan for the institutions in terms of achieving the 5% minimum. Mr. Freeman indicated that the Board's strategic plan includes the 5% minimum as the benchmark. Board member Lewis suggested it would be appropriate to direct the institutions over a period of time to address the situation. Board member Terrell noted that the institutions have indicated the 5% level is where they want to be. Board member Agidius suggested that if a deadline is set, the institutions may be put into a position where they have to choose between a program and the reserve fund.

Mr. Westerberg clarified that his suggestion is that there be a plan in place to work this through and see improvement. He suggested that during the Business Affairs and Human Resources meetings there be discussions as to where the institutions are and how they are working on the effort. Board member Lewis agreed that there is a need for a reserve requirement and for a plan on how to get there. He reiterated that it is prudent for the Board to provide guidance to avoid additional issues. Board member Terrell agreed that was possible.

2. Amendment to Board Policy – Section V.M. – Intellectual Property – Second Reading

M/S (Terrell/Edmunds): To approve the second reading of proposed amendments to Board Policy Section V.M., Intellectual Property, as presented, and to direct institutions to bring their technology transfer policies to the Board for review and approval within 12 months. Motion carried unanimously.

Board member Terrell introduced this item.

3. Amendment to Board Policy – Section V.D. – Fiscal Officer, Banking, and Investments – First Reading

M/S (Terrell/Edmunds): To approve the first reading of proposed amendments to Board Policy Section V.D., Fiscal Officer, Banking, and Investments, as presented. Motion carried unanimously.

Board member Atchley brought a grammatical error to the attention of the Board staff. Board staff noted the error and will also review the entire document to make sure any other typos or grammatical inconsistencies are corrected.

4. Amendment to Board Policy – Section V.R. 3.a.v. – Self-Supporting Certificate and Program Fees – First Reading

M/S (Terrell/ Atchley): To approve the first reading of proposed amendments to Board Policy Section V.R.3.a.v., Self-Support Certificate and Program Fees, as presented. Motion carried unanimously.

5. Amendments to Board Policy – Section V.R.3. – Definitions and Types of Tuition and Fees, and Section V.Q.1. – Revenue Deposited into Account – First Reading

M/S Terrell/Atchley): To approve the first reading of proposed amendments to Board

Policy Section V.R.3.a., and Section V.Q.1.a., as submitted. Motion carried unanimously.

Lloyd Mues of UI presented this item and explained it ensures policies on institution fees correspond to proposed revisions to the Idaho Code.

6. Student Tuition and Fees – Authorize Institutions to Request Fees in Excess of 10%

M/S (Terrell/Soltman): To authorize the colleges and universities under the jurisdiction of the Board to request a student fee increase in excess of 10% for fiscal year 2012 as the institutions deem necessary. Said authorization does not constitute an expressed or implied endorsement, recommendation, or approval of any student fee increase. Motion carried 7-1 (Edmunds voted Nay).

Board member Terrell introduced this item. He emphasized this motion only allows the institutions to make the request; it does not authorized or approve any request.

7. Boise State University – Dependent Fee Waiver Pilot Program

M/S (Terrell/Edmunds): To approve the request by Boise State University to implement a two-year pilot dependent fee program effective for the Fall of 2011 in accordance with the terms set forth in the background/discussion in support of this request. Motion carried unanimously.

Stacy Pearson of BSU discussed this item. She explained that BSU has had fee waivers in place for employees and their spouses for many years. This proposal relates to dependents and clarifies the benefits available. Ms. Pearson noted that BSU met extensively with BSU employees and documentation is available indicating their support. She explained the importance of this benefit as a retention and recruitment tool. In regards to the fiscal impact, Ms. Pearson indicated that while data is not available on every point, BSU does not anticipate a financial hardship for the institution.

Ms. Pearson noted that BSU will come back before the Board after a year of running the pilot program to update the Board on its progress. The Board noted that the intent of the pilot project proposal is that it will conclude at the end of the two years. Beyond that BSU will have to make another request to the Board. Ms. Pearson noted that if the program is not working BSU will not continue it.

8. Boise State University – Capital Project – TECenter Remodel

M/S (Soltman/Agidius): To approve the request by BSU to proceed with renovation of the TECenter for a total cost not to exceed \$1,000,000 and to direct staff to provide written notification of funds is 100% federal grant, but BSU will request General Fund occupancy costs. Motion carried 7-0 (Mr. Terrell recused himself from the vote due to a conflict of interest).

Board member Terrell withdrew from discussion, consideration, and any vote on this item due to a conflict of interest.

9. Boise State University – Capital Project – Lincoln Avenue Student Housing

Board member Terrell withdrew from discussion, consideration, and any vote on this item due to a conflict of interest.

Ms. Pearson discussed this item and explained the details of the project. She noted that the project will be funded with a combination of bond reserves resulting from savings from previous building projects, and University and student housing reserves. University reserves will be repaid with rental revenues from the project. Handouts were provided to the Board with additional detail related to the project budget, the projected debt service, the ten-year debt projection, and a pro forma analysis of the project. Ms. Pearson indicated that additional supplemental information is available as well.

There was lengthy discussion as Ms. Pearson explained the use of funds, the way the process works, and the technical details related to calculations, liabilities, cash flows, restrictions and timeframes, and the fiscal implications of this project. Mr. Lewis noted it would be helpful to have additional details. It was noted that there will need to be a special meeting of the Board on or before January 21st. Board staff will make those arrangements.

10. Boise State University – Capital Project – Proposed Stadium Expansion

M/S (Soltman/Edmunds): To approve the request by Boise State University to begin formal planning for Phase 1 of a Capital Improvements Project to expand Bronco Stadium and move the track and field facilities to Dona Larson Park, at a cost that is estimated to exceed \$500,000. Motion carried 7-0 (Mr. Terrell recused himself from the vote due to a conflict of interest).

Board member Terrell withdrew from discussion, consideration, and any vote on this item due to a conflict of interest.

Stacy Pearson discussed this item and noted it is in the early planning phase. It relates to the former East Junior High property and improvements to that property. Currently, BSU is in the concept phase of the project. Ms. Pearson indicated this would be paid for with private funds and that the \$500,000 private funds have already been collected. She indicated that BSU is not at the point in this effort to further develop the project. The name proposal will be brought to the Board in February.

Board member Lewis pointed out that BSU had neglected to follow the Board's policy in terms of the process and timelines in bringing this item to the Board. Ms. Pearson agreed that was true and noted the point.

11. University of Idaho – Naming/Memorializing Buildings – Art and Architecture Interdisciplinary Studio Complex

M/S (Terrell/Atchley): To approve the request by the University of Idaho to name the proposed Interdisciplinary Studio Complex after Eduardo Alvarez, contingent upon receipt of a substantial gift from the Alvarez family in support of the project. Motion carried unanimously.

12. Lewis-Clark State College - Settlement Agreement – College Place

M/S (Terrell/Edmunds): To approve the settlement agreement associated with the legal matter discussed in executive session and to authorize the Vice President for Finance and Administration at Lewis-Clark State College to sign all necessary settlement documents on behalf of the Board of Trustees subject to review by Board counsel. Motion carried unanimously.

13. Gender Equity Discussion – Athletic Financing

Board member Terrell introduced this item. He indicated that there were some inconsistencies coming out of the gender equity program. He noted that for that reason, the Board needs to determine what is happening with gender equity. He suggested that the Board President should set forth a subcommittee to investigate gender equity in order to determine if the institutions are using it the way it was intended.

Board member Lewis expressed his concerns. He noted that the numbers are increasing; the Board needs to know how that is happening. The Board needs to understand the policy, how decisions are made, and on what basis funds are continuing to flow into the gender equity accounts at the institutions. He also noted that the Board needs to have a better understanding of the deficits that the gender equity funds seemingly cover.

State Superintendent Luna asked for clarification about the purpose of the investigation. He asked whether it is to find out how the funds are used or is it to determine if the Board policies are being followed. Mr. Lewis pointed out that Board has a policy pertaining to the use of institutional funds for athletics. The Board does not want institutional funds to be used for athletics with the exception of gender equity.

Mr. Lewis indicated that there has been a clear statement by the Board as to the use of institutional funds. It appears that institutions may have used the exception language in the policy in order to direct institutional funds towards athletic programs other than gender equity. There seems to be an increasing trend to use the exception which is troubling to the Board. He emphasized the need for transparency from the audit point-of-view. The concern is that if the institutions are not transparent, the Board does not know what deficits are being covered or to what extent.

Board President Westerberg directed the establishment of a temporary subcommittee to review the gender equity policy as it exists and review the current practices. The subcommittee will determine if there is a need to change the policy and to also identify wrong practices, and then report its findings to the Board. He asked Mr. Lewis, Mr. Terrell, and Mr. Agidius to be on the subcommittee, with Mr. Terrell acting as the chair. Mr. Westerberg indicated he will also sit on the subcommittee too.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS1. College of Western Idaho – Approval of Notice of Intent: Termination of the Information Technology Program and Digital Home Technology Technician Option

M/S (Edmunds/Atchley): To approve the request by College of Western Idaho to terminate the Information Technology program and Digital Home Technology Technician option as shown in Attachment 1, effective immediately. Motion carried unanimously.

2. College of Western Idaho – Approval of Notice of Intent: Inactivation of the Practical Nursing Program

M/S (Edmunds/Atchley): To approve the request by College of Western Idaho to inactivate the Practical Nursing Program. Motion carried unanimously.

3. Appointment of Idaho Experimental Program to Stimulate Competitive Research (EPSCoR)

Committee Members

M/S (Edmunds/Atchley) : To approve the reappointment of Laird Noh to the Idaho Experimental Program to Stimulate Competitive Research Committee as a representative of the private sector, effective July 1, 2011 for a five year term. Motion carried unanimously.

M/S (Edmunds/Atchley): To approve the reappointment of Leo Ray to the Idaho Experimental Program to Stimulate Competitive Research Committee as a representative of the private sector, effective July 1, 2011 for a five year term. Motion carried unanimously.

M/S (Edmunds/Atchley): To appoint Gynii Gilliam to the Idaho Experimental Program to Stimulate Competitive Research Committee as a representative of the private sector, effective July 1, 2011 for a five year term. Motion carried unanimously.

M/S (Edmunds/Atchley): To appoint Frank Roberto to the Idaho Experimental Program to Stimulate Competitive Research Committee as a representative of the private sector, effective July 1, 2011 for a five year term. Motion carried unanimously.

4. Waiver of Board Policy III.Q.4.c. – Placement in Entry-Level College Courses

M/S (Edmunds/Atchley): To waive the criteria in Board Policy III.Q.4.c., for placement in entry-level college English courses, to permit the alternative placement mechanisms for English until the conclusion of the fall 2012.

Selena Grace of the Board office presented this item. She noted that a task force was formed to look at an appropriate mechanism for English placement. Waiving this policy will allow the institutions to continue with the pilots as their mechanism for English placement until staff has had the opportunity to bring forward revisions to the policy in its entirety.

DEPARTMENT OF EDUCATION1. Superintendent's Update

State Superintendent Luna reported to the Board about the K-12 budget request the Department will submit to the Legislature in January. In order to keep per pupil spending equal to what it is today there needs to be a \$60 million increase in the K-12 budget as it is now. Mr. Luna noted that as signs appear of an improving economy the public perception may be that there will be more money available next year for education. He emphasized that the public needs to understand that the already existing financial hole makes that highly unlikely.

On a brighter note, Mr. Luna shared a report called the Idaho Story that was written and published in cooperation with several universities. It is a result of significant improvements in AYP and increases in student achievement in areas such as science and math. He noted that Idaho's story is one of transformation. He indicated that the customer driven approach Idaho is using has produced good results in a short amount of time. It is an example of how Idaho is being recognized as a leader in terms of student achievement.

2. Temporary and Pending Rule – IDAPA 08-0203.112, Rules Governing Thoroughness and Accountability

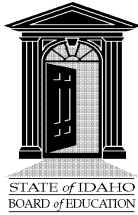
M/S (Luna/Atchley): To approve the temporary rule and amend the pending rule change to IDAPA 08.02.03.112, Rules Governing Thoroughness and Accountability, as submitted, effective July 1, 2010. Motion carried unanimously.

Mr. Luna presented this item. He explained that when a school reaches a certain point of not making AYP the school has to meet some requirements related to restructuring. When that restructuring has taken place, the school then goes through the process of being defined based on specific criteria that are laid out in policy. The changes may include changing administration, changing more than a majority of the faculty, or changing a portion of the student body.

OTHER BUSINESS

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

M/S (Agidius/Atchley): To adjourn the meeting at 2:35 p.m. Motion carried unanimously.



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DRAFT MINUTES
STATE BOARD OF EDUCATION
January 6, 2011
Special Teleconference Meeting
Boise, ID

A special teleconference meeting of the State Board of Education was held January 6, 2011. It originated from the Board office in Boise Idaho. Board President Richard Westerberg presided and called the meeting to order at 1:35 p.m.

A roll call of members was taken.

Present:

Richard Westerberg, President
Don Soltman, Secretary
Rod Lewis

Ken Edmunds, Vice President
Paul Agidius
Emma Atchley

Absent:

Milford Terrell and State Superintendent Tom Luna

REGULAR BUSINESS

Board member Soltman noted that Board member Terrell had recused himself from these two items and so he is not in attendance for the meeting.

1. BSU – iStrategy Software Licensing and Maintenance

M/S (Soltman/Agidius): To approve the request by Boise State University for a one-time payment of iStrategy licensing and implementation fees of \$330,000 and an ongoing software maintenance fee of \$42,000 annually. Roll call vote was taken. It failed 3-3 (Edmunds, Atchley, and Agidius voted Nay).

Board member Soltman introduced this item. Stacy Pearson of Boise State University was in attendance by phone to answer questions and provide additional details. Board member Agidius asked about possible penalties if BSU changes data warehouse vendors. Ms. Pearson indicated that there is an annual renewal of the license but no contractual based penalties. Board member Edmunds raised concerns about cost of the license, its compatibility with the longitudinal data system or other systems, and the timelines. He asked about the possibility of waiting to make this purchase.

Ms. Pearson explained that BSU already purchased iStrategy, a data warehouse and reporting system. This request is for the approval for licensing and annual maintenance fees and

additional modules that will help BSU carry out its reporting requirements. Mr. Edmunds reiterated his concern that this is premature and not be a good use of funds at this time.

Board members Agidius and Edmunds explained that there needs to be more information so that they have a better understanding of all this request entails. They can't support the motion without it.

Ms. Pearson noted that this request does represent a substantial discount of the product. She reiterated that her understanding is that the Board wants additional detail at the February meeting. She emphasized that BSU cannot guarantee that it will be able to get the same discounted pricing.

Board President Westerberg restated his understanding of the outcome of the motion, that being that Board members Edmunds and Agidius would be willing to reconsider this item at the February meeting if more information is provided.

Selena Grace reiterated that iStrategy has already been implemented by BSU. This request will allow them to add additional modules to make their reporting more efficient.

2. BSU – Capital Project – Lincoln Avenue Student Housing

M/S (Soltman/Agidius): to approve the request by Boise State University to proceed with construction of the new student housing facilities on Lincoln Avenue for a total project cost not to exceed \$15,781,851 million and to find that this housing project constitutes a project that is necessary for the proper operation of the University and is economically feasible pursuant to Chapter 38, Title 33, Idaho Code. Motion carried unanimously.

Stacy Pearson clarified that there will be no eligible occupancy cost. Board President Westerberg asked about the architectural fee and Ms. Pearson explained that since the plans had to be converted from a public/private partnership project to a public works project, the plans had to be converted which took quite a bit of effort. That is why the fee isn't significantly lower.

Ms. Atchley asked for clarification about a housing fee. Ms. Pearson indicated that the revenues for this project are the rent and vending revenues from students residing in this facility. There are no housing fees.

OTHER BUSINESS

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

M/S (Atchley/Soltman): To adjourn the special meeting of the Board at 2:07 p.m. Motion carried unanimously.



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**DRAFT MINUTES
STATE BOARD OF EDUCATION
January 21, 2011
Special Teleconference Meeting
Boise, ID**

A special teleconference meeting of the State Board of Education was held January 21, 2011. It originated from the Board office in Boise Idaho. Board President Richard Westerberg presided and called the meeting to order at 3:00 p.m. MST.

A roll call of members was taken.

Present:

Richard Westerberg, President
Don Soltman, Secretary
Rod Lewis

Ken Edmunds, Vice President
Emma Atchley
Paul Agidius

Absent:

Milford Terrell
State Superintendent Tom Luna

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS

1. Review and Discuss Existing and Potential Legislation Affecting Public Education

Mark Browning updated the Board on initiatives 1) changes code to allow U of I to charge tuition and 2) if passed removes the requirement that the Board keeps copies of negotiated contracts within districts. Mr. Browning stated that the discussions at the legislature are budgetary driven discussions at this point.

2. Superintendent Luna's Education Reform Plan

Discussion:

Luci Willits, Chief of Staff for the Department of Education was present to answer questions regarding Superintendent Luna's education reform plan. The plan would change how we do business in Idaho in some areas. Looking at spending differently given budget situation. Presented last week on budget pieces to JFAC and working on draft of best ways to proceed. Goal and intent is to print bill as early as next week. President Westerberg asked if anyone had questions for Luci. Emma asked what the Boards role would be in this process. Luci stated

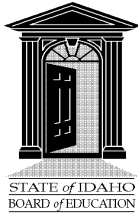
there is a huge role for board to play. The plan is a joint effort between Luna and governor and asked for support in contacts at legislature and feedback. The Department of Education will copy Board on any correspondence to legislators. Foremost they would like board support. Emma stated it did not get a lot of pre board input and she had a lot of questions and feels uncomfortable because they are uninformed. Luci emphasized they are working out details for the bill and the Board will have responsibility regarding the rule making. Implementation being the bigger step and help with answering questions and dialogue. Rod stated he is not clear in terms of financial impact compared to last year. What does budget look like compared to last year's public school public. Luci deferred to deputy chief of staff Jason Hancock to answer this question. Basically they are reallocating funds within that budget. Jason summarized that they are reallocating some of the funding elements in the budget to hit the governor's number. Slight increase in general funds going to public schools and replacing the 35M in one time funding that was in last year's budget.

Luci Willits stated that this is a package and it is difficult to peel off portions of this package. You can't peel off something without adversely affecting something else. Every piece has a purpose and financial issue. The package is a comprehensive package. It was asked if there was any reason why you couldn't build in a flexible market driven price for on-line courses rather than guaranteeing the provider 2/3 of the cost of the course. It was clarified that the fractional ADA is the default and the provider will be paid whatever their contract outlines. The student can go to any qualified provider.

Luci Willits assured the Board they would be kept informed and assisted on answering any questions.

OTHER BUSINESS

M/S (Ken/Don): There being no further business, a motion to adjourn the special meeting of the Board at 3:36 p.m. MST was entertained. Motion carried unanimously.



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**DRAFT MINUTES
 STATE BOARD OF EDUCATION
 January 28, 2011
 Special Teleconference Meeting
 Boise, ID**

A special teleconference meeting of the State Board of Education was held January 28, 2011. It originated from the Board office in Boise Idaho. Board President Richard Westerberg presided and called the meeting to order at 3:00 p.m. A roll call of members was taken.

Present:

Richard Westerberg, President
 Don Soltman, Secretary
 Rod Lewis
 Milford Terrell

Ken Edmunds, Vice President
 Paul Agidius
 Emma Atchley

State Superintendent Tom Luna (joined the meeting following the roll call)

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS

1. Review and Discuss Existing and Potential Legislation Affecting Public Education

- *Students Come First Proposed Legislation: Labor and Entitlements & Modernization and Reform*

State Superintendent Tom Luna presented the background details related to the two bills the Department of Education plans to have introduced this session. They both relate to Mr. Luna's proposed education reform of Idaho's K-12 system.

Mr. Luna reported that the two pieces of legislation go together and will be introduced at the same time. They encompass the majority of what he previously presented to the Legislature. Mr. Luna explained that reason for two bills is because the Attorney General's office indicated it was best to separate the finance section from the labor negotiations section. Mr. Luna pointed out to the Board members that a narrative is included with each proposal. It may be helpful to the Board members in understanding what is included in the proposed legislation. Mr. Luna indicated that a couple of trailer bills will follow. One has to do with consolidation and the other with purchasing.

Board President Westerberg noted that it will take a bit of time to read through the proposed legislation. The Board members agreed to discuss the legislation further at their meeting on

February 4.

- SB1023 – Charter School Founder Designation

Tracie Bent of the Board office presented this item. She explained that the purpose of the legislation is to amend Idaho Code to clarify the official designation of a charter school founder. She pointed out that Board staff has not received any communication from the charter schools related to this legislation as far as the Board taking a position.

- SB2034 – Public University Technology Transfer

Tracie Bent presented this item. She explained that this bill seeks to speed the introduction of technologies developed at Idaho colleges and universities. She pointed out that the Board already has the authority to do this.

There was some discussion about the necessity of this legislation in light of the fact that this bill doesn't add or take away from the Board's current authority. Matt Freeman of the Board office indicated that Board staff plans to visit to the bill's sponsors on that point.

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

M/S (Agidius/Atchley): To adjourn at 3:35 p.m. Motion carried unanimously.



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**DRAFT MINUTES
STATE BOARD OF EDUCATION
February 2, 2011
Len B. Jordan Building
650 W. State Street
PTE Clear Waters Conference Room
Boise, Idaho**

An executive session of the State Board of Education was held February 2, 2011 in Boise, Idaho.

Present:

Richard Westerberg, President
Don Soltman, Secretary
Rod Lewis
Milford Terrell

Ken Edmunds, Vice President
Paul Agidius
Emma Atchley

The Board met at 10:00 a.m. on Wednesday, February 2, 2011 in Boise, Idaho at the PTE Clear Waters conference room of the Len B. Jordan Building located at 650 W. State Street.

EXECUTIVE SESSION (Closed to the Public)

M/S (Terrell/Agidius): A motion to hold an executive session pursuant to Idaho Code Sections 67-2345(1)(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against public employees at the institution (Idaho State University).

A roll call vote was taken; motion unanimously carried 7-0 to enter into Executive Session (Lewis arrived at 10:10).

M/S (Westerburg/Terrell): To go out of Executive Session at 11:35 a.m. Motion carried unanimously.

OPEN SESSION

On Wednesday, February 2, 2011, the Board convened for regular business at 11:35 a.m. in Boise, Idaho at the Len B. Jordan Building, PTE Clear Waters conference room. Board President Westerberg called the meeting to order to take action on a personnel matter.

BOARD ACTION

M/S (Westerberg/Terrell): By unanimous consent, the Idaho State Board of Education hereby affirms its support for and confidence in President Arthur Vailas in leading the affairs of Idaho State University.

OTHER BUSINESS

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

M/S (Westerberg/Terrell): To adjourn the meeting at 11:40 a.m. Motion carried unanimously 7-0.

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