

1. Agenda Approval

Changes or additions to the agenda

I move to approve the agenda as posted.

2. Minutes Approval

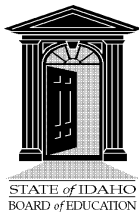
BOARD ACTION

I move to approve the minutes from the December 7-8, 2011 Regular Board meeting, the December 30th Special Board Meeting, and the January 4, 2012 Special Board meeting.

3. Rolling Calendar

BOARD ACTION

I move to set February 20-21, 2013 as the date and Boise State University as the location for the February 2013 regularly scheduled Board meeting and to amend the date of the regularly schedule August 2012 Board meeting to August 15-16, 2012.



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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
December 7-8, 2011
College of Western Idaho
6002 Birch Lane, Room 102/104
Nampa, Idaho**

A regularly scheduled meeting of the State Board of Education was held December 7-8, 2011 at the College of Western Idaho in Nampa, Idaho.

Present:

Richard Westerberg, President
Emma Atchley
Tom Luna
Rod Lewis

Don Soltman, Secretary
Bill Goesling
Milford Terrell

Other:

Ken Edmunds, Vice President – Joined via phone on Wednesday, December 7th. Mr. Edmunds joined the meeting in person on Thursday, December 8th at 10:05 am.

Wednesday, December 7, 2011

The Board met in Room 102/104 of the College of Western Idaho in Nampa, Idaho. Board President Richard Westerberg called the meeting to order at 1:00 p.m.

BOARDWORK

1. Agenda Review / Approval

M/S (Soltman/Goesling): To approve the agenda as posted. The motion carried unanimously.

2. Minutes Review / Approval

M/S (Soltman/Atchley): To approve the minutes as corrected from the October 19-20, 2011 regular Board meeting, the November 3, 2011 Special Board Meeting, and the November 16, 2011 Special Board meeting as submitted. The motion carried unanimously.

Ms. Atchley pointed out a correction to the October 19-20 minutes. Under the BAHHR HR Item 2,

Boise State University Head Women's Softball Coach, the word "athletic" needs to be changed to "academic" under criteria number 2 for contracts.

3. Rolling Calendar

M/S (Soltman/Goesling): To set December 12-13, 2012 as the date and North Idaho College as the location for the December 2013 regularly scheduled Board meeting. The motion carried unanimously.

WORK SESSION

BUSINESS AFFAIRS AND HUMAN RESOURCES (BAHR)

1. Performance-based Funding for the Colleges and Universities

Matt Freeman introduced this item and gave a brief summary of his background working on this item. Mr. Freeman provided a Power Point presentation on strategic financing for Idaho's Public College and Universities. Overall, the presentation provided background, best practices and a concept proposal.

Mr. Freeman stated the state's investment in four-year public higher education has gone from \$285.1M in FY 2009 to \$209.8M in FY 2012, which is a reduction of 26.4% over four years. The reality of this situation requires that we use every dollar to maximize operational differences. He summarized that performance-based funding can be used as a strategic incentive for innovation and creativity in resource allocation to improve desired campus outcomes.

Mr. Freeman commented that currently the state uses a base-plus method which means the prior year's funding is the starting point and adjustments may be made for compensation, benefits, enrollment growth and new programs. Guiding principles of performance-based funding should include: allocate funding to drive behavior and incent outputs, link outcomes to Board 60% goal and strategic plans, measureable outcomes, and outcomes should support inter-institutional collaboration. In order for the performance-based funding to be successful, keys to success include stakeholder buy-in, reward improvement, and keeping the funding formula simple.

Mr. Freeman discussed completion metrics (measureable progress, outcomes and context) and efficiency and effectiveness metrics (workforce needs and student output relative to input, return on investment and quality). Other common outcome metrics include student persistence or credit milestones, STEM or high-need degrees. There are also institution specific metrics unique to role and mission. Mr. Freeman stated that in order to be most effective, measures must gauge progress toward goals, diagnose problem areas and help steer investments. They must also be capable of being disaggregated by sub populations. They need to match performance metrics relative to accreditation and avoid conflicting metrics. They must have baselines and benchmarks which enable a measurement of movement.

Mr. Freeman went on to provide an overview of current funding methodology and what performance based funding looks like. He commented that the cornerstone of an effective performance-based funding program is an adequate performance funding pool to incent and

drive behavior. He pointed out that the incentives must be stable for proper long-term function. He commented that national literature on best practices of performance-based funding comment that there is a need to provide a meaningful incentive in order for institutions to take it seriously. If the value is too low, neither the institution nor the policymakers will find performance-based funding worth the effort.

Mr. Freeman provided possible funding scenarios. They included appropriating new general funds for higher education, allocating a percent of general fund appropriation to the performance pool, and earmarking a percent of calculated EWA for the performance pool. Mr. Freeman presented a concept option provided by the University of Idaho whereby the institution advocates using EWA as the funding basis. Under this model, each institution's funding calculation would be 30% of that institution's calculated EWA funding increase for the coming year. If enrollment grows, performance funding would increase in relationship to the EWA appropriation. Key performance measures would be used to determine the portion of performance funding amount which would be made available to the institution in the coming year. If the institution fails to make progress toward its goals or fails to meet the targets for a given year, then there would be a formula for determining the proportion of that institution's EWA funding that would be passed along to the institution for the coming fiscal year.

Mr. Westerberg asked if performance wasn't achieved during a given year where do the funds get reallocated. Mr. Freeman indicated the money could be reallocated on a one-time basis to another area.

Mr. Freeman commented his analysis of UI's concept identified some pros and cons. Pros include a simple formula and it does not embed a year-to year funding competition for performance funding. Cons show the model is heavily focused on enrollment, calculated EWA is minimal (limited funding to incent performance), and restoration of funding after one-year (a need for an adequate incentive to improve).

Mr. Freeman went on to provide an alternate proposal which included: adopting the NGA/CCA progress, outcome and efficiency/effectiveness metrics as strategic categories. It uses the metrics from those categories as key performance indicators (KPIs). Under this model, all institutions would be responsible for a specific number of indicators from KPI group one (mandatory), KPI Group 2 (optional) and KPI Group 3 (institution specific; requiring Board approval). This structure would provide institutions both parameters and flexibility. Institutions would review and negotiate new KPIs and goals with the Board every five years. Performance funding would be distributed based on an institution's performance on their KPIs. Points would be earned by an institution for exceeding their baseline for the associated KPI. All points would be totaled for each institution and then weighted by an institution's base appropriation. The institution's points would be divided into the total performance pool to create a dollar-per-point value that is then multiplied by the number of points an institution earned to compute each institution's performance award.

Mr. Freeman commented this model is similar to the model used by the Pennsylvania system. The pros of this model are that a point system provides an objective method to allocate static and limited resources to performance funding, and focus is on results. The cons of this model are that the funding formula is more complex. A "single pool" concept for performance funding is implicitly competitive. A common pool can lead to unpredictability in funding and funds for one institution will depend on how well the other three institutions do on their performance measures.

Mr. Terrell asked the Financial Vice Presidents of the institutions were asked for input on this subject.

President Vailas commented for Idaho State University that he is supportive of the concept of performance based funding. He commented the characterization of each institution is important. He would embrace a model that encapsulates where the institution is going along with commonalities for each institution under the umbrella of the Board goals.

Ron Smith commented that it will be important for the Board to identify what net mission is to be incented and to strike the right balance.

Keith Ickes stated that using EWA as a base would be a good place to start given the understanding of its basis. Mr. Ickes encouraged the Board to consider some of the pieces from the proposal, one in particular called graduation rate handicapping, calculations are based on national norms. This method benchmarks institutions against other like institutions across the nation and not against a peer that, for example, has more money. It would enable more realistic goals to be set for each institution, and it holds institutions accountable in moving forward.

Stacy Pearson echoed the comments on the accountability of each institution based on the type of institution they are and the use of general metrics.

President Fernandez from LCSC reiterated the previous comments and added that the key to whatever standards or measures that are developed is having the missions and goals of each institution clearly defined along with consideration to the students they are serving. Mr. Chet Herbst from LCSC commented that the reduction in appropriations has already created some very powerful incentives. He commented that in order for LCSC to meet the Board's 60% goal, they need to attract a population that is not currently attending. In accomplishing this, the bar might need to be *lowered* to get people in the door. He stated that Higher Ed has lost 26% of its funding and the discussion has not been how to get those funds back. He felt that the budget shortage should be looked at first, and then consider performance based funding after the budget has been repaired. He didn't feel they were as close as necessary to implement performance-based funding.

Mr. Terrell asked for comments and feedback from the Board in order to continue work on this subject. President Westerberg said that the intention today is for the Board to provide some sort of general guidance for BAHF and CAAP to effectively identify what makes sense going forward in a performance funding mechanism.

Ken Edmunds commented that he didn't understand the linkage between EWA and performance-based funding. Mr. Freeman responded that the idea is that funded EWA on an annual basis would be used as the pot of money available to allocate to performance funding.

Mr. Westerberg said the fundamental question is whether the performance based funding is funded out of new or existing dollars. Mr. Terrell indicated that right now we are dealing with existing budgets, not new dollars. Mr. Lewis asked how far along we are in discussions with the legislature and the Governor's office with respect to this approach. Mr. Freeman responded that JFAC will be briefed on the subject the following week. He further reported the Division of Financial Management and the Governor's office are very interested in a performance based funding concept for higher education. Actual negotiations have not been initiated.

President Westerberg commented that in regards to EWA he feels the percentage is not great

enough. He felt the percentage should be not less than three percent because it wouldn't be worth the effort.

Mr. Terrell asked for staff to put together discussion points for the funding formula, taking into consideration the comments and suggestions from this meeting, and bringing it back before the Board at a later date for further discussion.

Mr. Freeman indicated that going forward, staff would like more direction from the Board. President Westerberg stated that the starting percentage should be 3-5%. He commented going forward identifying key performance indicators will be important, along with answering the many other questions such as on new or existing funds surrounding the topic, and addressing any concerns of the legislature and Governor. President Westerberg indicated the need to start with a strong model and proposal going forward.

The Board concluded its work session at 3:15 p.m. and the Board entered into executive session.

EXECUTIVE SESSION

M/S (Soltman/Terrell): To go into Executive Session to discuss the following items:

Boise State University

(1) I move to hold an executive session pursuant to sections 67-2345(1)(b) and (d), Idaho Code to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school agent and to consider records that are exempt from disclosure as provided in Chapter 3, Title 9, Idaho Code.

University of Idaho

(2) I move to hold an executive session pursuant to sections 67-2345(1)(f), Idaho Code to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

(3) I move to hold an executive session pursuant to sections 67-2345(1)(c) and (d), Idaho Code to conduct deliberations to acquire an interest in real property which is not owned by a public agency and to consider records that are exempt from disclosure as provided in Chapter 3, Title 9, Idaho Code.

Idaho State University

(4) I move to hold an executive session pursuant to sections 67-2345(1)(b), Idaho Code to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school agent and to consider records that are exempt from disclosure as provided in Chapter 3, Title 9, Idaho Code.

Boise State University

(5) I move to hold an executive session pursuant to sections 67-2345(1)(a) to consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need.

A roll call vote was taken and the motions passed unanimously. Following the roll call, the Board members entered into executive session.

(6) M/S (Goesling/Soltman): To go out of Executive Session at 4:45 p.m. and adjourn for the day.

Thursday, December 8, 2011

The Board convened December 8, 2011 at the College of Western Idaho, conference room 102/104 in Nampa, Idaho. Board President Richard Westerberg called the meeting to order at 8:00 a.m.

Dr. Mike Rush presented President Burton Waite, who is retiring, with an honorary plaque for his service to the state and Eastern Idaho Technical College. Following a few words from President Waite, Emma Atchley introduced the new president of Eastern Idaho Technical College, Steve Albiston, who has spent most of his career at the college.

OPEN FORUM

Chris Pentico came forward to speak on the topic of open carry of guns on campus. Mr. Pentico had several questions for the Board and indicated he intended to also ask those questions of the legislature. He summarized that his questions were to not only get information and answers, but to make the Board aware of certain liabilities they and the state of Idaho may be exposing themselves to. He asked for proof from each of the institutions that they did “due diligence” in reviewing the Heller and McDonalds U.S. Supreme Court decisions. Mr. Pentico believes removing the right to keep and bear arms is unconstitutional. President Westerberg thanked Mr. Pentico for his time, information and presentation. Mr. Pentico provided his list of questions to the Board.

Emily Walton, student representative from the Associated Students of Boise State University (ASBSU) came forward to speak about issues surrounding enrollment workload adjustment (EWA) and equitable funding for students. Ms. Walton stated that she does not believe the current situation in Idaho is fair for students when it comes to college funding. She asked for the Board to consider students first and less of the institutions when dividing state money, because there is no fundamental difference between students who choose one institution over another. Ms. Walton concluded by commenting that students will continue to engage the Board, the Governor and the legislature to ask them to allow all Idaho students to have equitable access to the higher education dollar. President Westerberg thanked Ms. Walton for her comments.

Dr. Dennis Griffin, founding president of the College of Western Idaho, shared some comments on the founding of the college. Dr. Griffin commented on how far the college has come since its inception three years ago. During his presentation, Dr. Griffin introduced his book “From Scratch: Inside the Lightening Launch of the College of Western Idaho.” He commented that the book serves as a historical record, including a brief history of the community college movement in Idaho, as well as a tribute to the team that created the College of Western Idaho. He concluded that the book serves as an acknowledgement of all the people and agencies that made the College’s creation possible.

CONSENT AGENDA

By unanimous consent item #2 from the consent agenda, Alcohol Permits, was moved to the end of the Planning, Policy and Governmental Affairs section of agenda.

M/S (Soltman/Goesling): To approve the remaining Consent Agenda as submitted. The motion carried unanimously.

Institutional Research & Student Affairs (IRSA)

1. IRSA – University of Utah School of Medicine Annual Report

Information Item

2. PPGA – Alcohol Permits Approved by University Presidents

Moved by unanimous consent to the Planning, Policy and Governmental Affairs Committee section of the agenda.

3. PPGA – Eastern Idaho Technical College – Advisory Council Appointment

By unanimous consent, the Board agreed to approve the appointments of Bart Davis and Scott Crane and the reappointments of Terry Butikofer, Michael Clark, and Sylvia Medina to the Eastern Idaho Technical College Advisory Council for a term beginning in January 1, 2012 and ending December 31, 2014.

4. Boise State University – Morrison Center Resolution

By unanimous consent, the Board agreed to approve the new Morrison Center Resolution as presented and to authorize the President of Boise State University to sign on behalf of the State Board of Education.

PLANNING, POLICY, AND GOVERNMENTAL AFFAIRS (PPGA)

1. College of Western Idaho – Biannual Progress Report

President Glandon presented the biannual progress report for the College of Western Idaho (CWI). The report contained information about the progress of the institution's strategic plan, details of implementation, status of goals and objectives and information on other points of interest.

President Glandon commented that CWI is a thriving community college. He officially recognized the five member Board of Trustees of the College, acknowledging the presence at the meeting of Board Chair Stan Bastian, M.C. Nyland and Gordon Browning. He commented that the college has nearly 8,100 credit students presently. They have over 6,000 students currently registered for the spring semester and are anticipating that number to grow to between 9,000 and 10,000 before the start of the spring semester. They have over 12,000 non-credit students in 2011. Aside from the main campus site CWI has many off-campus locations allowing greater accessibility for Idaho students.

In January, the Northwest Commission of Colleges and Universities (NWCCU) will consider the colleges' candidacy for accreditation. They have received five accommodations and five recommendations from the NWCCU team who visited in October 2011. CWI's service area encompasses 10 counties including Ada, Adams, Boise, Canyon, Elmore, Gem Owyhee,

Payette, Valley and Washington counties. The college also serves professional-technical programs and dual credit programs throughout the 10-county region.

President Glandon commented they have completed their original five-year plan in the first 18 months of operation and are in the process of putting together another five-year plan. They plan to use a three-campus concept with satellite locations. The priority is to grow the Nampa campus, focus on health sciences in Meridian and look at high tech programs in east Boise.

CWI has had a 600% enrollment growth compared to a 61% increase in revenue growth. Their largest increase in revenue growth has been in tuition and fees. Last August they were granted \$5 million in funding and are strategically placing those dollars in such areas as financial aid for students; grants, scholarships and student loans. 7,000 of the 8,000 students have received financial aid, 40% of the aid applicants are at or below the federal poverty level, and 76% are eligible for full Pell grants. These statistics show that there is a very large population of needy, at risk students.

Challenges for CWI include resources to support growth, keeping high-level quality programs, employee retention, maintaining a strong culture and communications, and student retention. They look at a quarterly review of their business plan because needs are continually changing. They are using an institutional improvement process model addressing: understand needs, needs articulated, needs defined, measure effectiveness. President Glandon shared a slide of the FY 2012 recommended budget and expenditures by function. For student success in 2010 they had 90% positive placement. 72% of the courses were completed with 2.0 or better in 2009/2010. Dual credit is expanding and is expected to continue growing. Collaboration with local business and community members continues to grow as well. CWI has articulation agreements with all of the state public or private institutions at this time. CWI has recently established a foundation with 23 active members currently. President Glandon shared 2011 foundation financials which have total revenues of \$17,349,125 presently. The focus for 2011 and 2012 is fiscal stability, accreditation, the system transition from CSI to CWI to have a full stand-alone college, new facility moves, and student retention.

Mr. Terrell asked what the expectation is of sending the CWI students on to another University in the state of Idaho. President Glandon commented that there is a need to encourage a positive attitude in students that they are university material. He further commented positively on collaboration efforts between institutions and that we should see more and more students going on in their pursuit of higher education. Mr. Terrell asked if there are plans to build one central campus. Mr. Glandon responded the goal is to build out the current Nampa campus and develop the 100 acres at the main campus. Mr. Glandon said the opportunities that have presented themselves at various locations have been good opportunities and have been taken as they come. He commented that it may look like CWI is all over the place, but they have gone where the need of the people/students are.

2. Boise State University - President's Council Report

The current chair of the President's Council, Boise State University President Bob Kustra, gave a report from the most recent President's Council meetings and answered questions.

President Kustra summarized discussion from the last meeting held November 8, 2011. Tech prep fees were discussed at the November meeting and it was clear that the item needs more work. Additionally, mission statements as they relate to the research mission at the institutions were discussed and the presidents want to make sure the VPRs at each institution are working

closely with the Board and Board staff to make sure it is clear what the Board is seeking in the content of those statements. Mr. Kustra commented lastly that at the meeting there was a brief discussion on iGEMS which will be one of the Governor's major initiatives in the coming year. For the Biomedical proposal, the presidents want to be absolutely clear on what each of the campuses is doing.

Mr. Edmunds asked about the efforts to commercialize information technology (IT) as related to the statewide strategic plan for research and how to improve incentives for faculty who promote commercialization. He commented that at the last meeting of the Governor's Innovation Council, the subject came up repeatedly that the culture needs to be changed at the universities to promote commercialization of IT through research efforts. Specifically, Mr. Edmunds was seeking feedback from the universities on how to accomplish that cultural change.

Mr. Kustra commented that the topic should be discussed in IRSA with the provosts, given the relationship with faculty evaluation. He pointed out that on the campuses, there are research faculty who operate under a different set of terms and conditions for their employment than tenured faculty. He indicated that generally speaking across higher education, tenured faculty is held to the standard of teaching, research and public service. He added, however, that research faculty who are not tenured, are strongly encouraged to work on commercialization ventures. Mr. Kustra reiterated that the subject would need to be discussed thoroughly with the university provosts, and in more depth with the Board in the future.

Provost Doug Baker from the University of Idaho indicated they do recognize copyrights and patents as part of the tenured promotion process and as part of the annual performance reviews. In addition, there is a revenue sharing model that financially rewards faculty for those kinds of activities. Provost Baker commented that his sense is that the breakdown is not at the tenured reward level, but more so at the skill set level in terms of making the transition between making great intellectual property and actually doing something with it to commercialize it. He commented they are invested in this area and are working toward growing it. Summarily, the challenge is to move the intellectual property forward in the market.

Mr. Edmunds concluded that he would like the provosts to be aware that this will be a topic requiring more action in the future.

3. Idaho Historical Society – History Day in Idaho

Dr. Rush from the State Board of Education introduced Idaho State Historical Society (ISHS) Executive Director Janet Gallimore and commented on the collaboration efforts of the Idaho Historical Society and their support to the State of Idaho and Board of Education. Ms. Gallimore thanked Dr. Rush and introduced Susan Dennis, History Day Program Manager.

Ms. Gallimore stated ISHS is an extraordinary system of cultural and historical resources that promotes and preserves Idaho history and is valuable to Idaho. While they are a state agency, they receive about 55% of their funding from non-state sources. Ms. Gallimore provided a summary of History Day in Idaho as well as the results of a nationwide study regarding History Day that attests to its value in teaching essential historical literacy. History Day is a year-long academic program for 6-12 grade students centered around historical research, and guided by teachers. History Day has 57 affiliates in all 50 states, reaching over 700,000 students. The Idaho State Historical Society provides valuable educational content and resources to Idaho public schools. Students who participated in History Day out-performed their peers in nearly every area, showing a clearly demonstrated value in the program. The presentation and reports

presented provided information on the specific impact and importance of these programs. Ms. Gallimore commented that History Day can help assist the state in achieving its 60% goal by helping students and teachers across the state. Additionally, the ISHS has been working with Dr. Rush from the Board office and Peter Kavoris from the State Department of Education office to see how the ISHS may assist the state of Idaho in achieving the 60% post high school graduate goal and also help teachers achieve new state literacy curriculum requirements through this program. Ms. Gallimore commented that the History Day program is also being considered to be used in alignment with the required high school senior project.

President Westerberg thanked Ms. Gallimore for her presentation and noted for the audience that Representative Wendy Jaquet was present.

4. ACT Annual Report

Stacey Elmore from the American College Testing Program, Inc. (ACT) provided the ACT annual report. ACT's College and Career Readiness System was developed to help states and schools ensure student readiness for postsecondary education and careers, monitor student performance over time, and determine progress toward school, district, state, and college readiness standards.

One of the graduation requirements for Idaho high school students in public schools graduating in 2013 is that they take at least one college entrance exam by the end of the student's eleventh grade. Students may choose from the COMPASS, ACT, SAT or Accuplacer tests. In 2011 64% of Idaho graduates took the ACT with and achieved an average score of 21.7.

Ms. Elmore went on to comment that if students are meeting a particular benchmark on the ACT, their chances of achieving a C or higher in the corresponding credit bearing course is 75%. Idaho ACT scores are above the national average in English, math, reading and science. Additionally, students who are just below the benchmark can be identified so they may get help going forward. Ms. Elmore commented that ensuring students are prepared by the time they leave high school is the single most important thing we can do to improve college-completion rates.

Ms. Elmore commented the Gear-Up grant has been administering ACT programs throughout the state. ACT has developed the college and career readiness information system (CCRIS) which has online real-time reporting 24/7. It will give schools the ability to analyze, explore and plan item level data and map to ACT college readiness standards and common core standards. This is expected to be available next spring. Overall the focus of ACT is to increase college and career readiness.

Mr. Edmunds asked what the expectations should be for statewide averages when all students are required to take a college entrance exam. She commented that initially, scores go down, then, over time, scores go back up.

Dr. Goesling asked if the results were higher for the students who went on into professional-technical education. Ms. Elmore said the research shows the students need skills when they leave high school, particularly proficiency in math and reading. When they are proficient they tend to be more prepared for first year courses. Mr. Soltman asked if math is the best indicator. Ms. Elmore stated it is just one of the indicators and all the factors are important, but math and science are of particular interest and should be major focuses. Mr. Lewis pointed out that data shows when a high school student had math or science for four years it made a significant

difference and increase in the go to college rate.

5. Idaho's 60% Educational Attainment Goal Benchmark

Scott Grothe from the Board office presented information on dissecting Idaho's 60% goal. The presentation provided year-to-year credential-level targets that Idaho's public postsecondary institutions would need to meet in order to achieve the 60% goal. The presentation also illustrated the positive impacts of increasing postsecondary retention and graduation rates on achieving the goal.

Mr. Grothe commented tracking Idaho's progress toward attaining the 60% goal will be done using the U.S. Census Bureau's annual American Community Survey. In 2012, the survey will capture population estimates of certificate holders, in addition to the on-going estimates of the number of Idahoans with associate's degrees and higher. This new information should be released in October 2013.

Mr. Grothe summarized what Idaho is up against in attaining the 60% goal. The first graph showed the attainment of 25-34 year olds of associates degrees or higher at around 31%. He commented if we maintain our current rate of educating Idaho's population, an additional 63,500 individuals will need to be educated to reach the 60% goal. Mr. Grothe used the term "goal related credential" (GRC) which equates to a certificate of 1 year to attain or greater, or an associate's or bachelor's degree. If certificates are included, we are closer to 35% toward the goal. Certificates make up approximately 10% of the credential production produced by public institutions per year. The production is coming from public institutions, private non-profit, private for-profit institutions, including BYU-Idaho. Mr. Grothe pointed out that BYU-Idaho has had a dramatic increase in degree production. They are the single largest postsecondary producer in the state. They produced 3,563 bachelor's degrees in Academic Year (AY) 2009/10 where BSU was second at 2,097 bachelor's degrees. Incidentally, this production does not include on-line degrees. Only about 36% of BYU-Idaho students are from Idaho. Mr. Grothe commented it is unclear as to what BYU-Idaho contributes to the state's educated populous.

Mr. Grothe illustrated two examples of how to reach the Board's goal. He showed a slow-growth approach and a linear approach. The information on the proportion of certificates needed in the tables presented was obtained from the recent work of Anthony Carnevale from Georgetown University. It shows projections of the credential needed for Idaho's 2018 workforce. At the time of the research, it was predicted that 61% of Idaho's jobs in 2018 will require some sort of postsecondary education. For GRC's needed, Carnevale projects 18% for certificates, 49% for Associates and 33% for bachelor degrees.

Mr. Grothe summarized the assumptions used in coming up with this model and then stood for questions from the Board.

Mr. Edmunds was concerned that the data shows we need 1/3 bachelors and 2/3 associates by 2018 which is opposite of where we are currently at 2/3 bachelors and 1/3 associates. President Westerberg stated he is concerned that if we do not have an educated workforce, it will be devastating to Idaho's economy.

Dr. Goesling questioned what a common definition of what one year means. Mr. Grothe clarified that the one year definition is two semesters, nine months, equal to an academic year.

Mr. Soltman asked what the next step is. Mr. Grothe stated that these are the targets and how

we get there is a question for the greater group. Real numbers captured from the data will be available in 2013. Mr. Terrell talked about the demand for short-term certificated programs, stating that there is demand to keep certain students in the workforce while they get their certificate. Dr. Goesling recommended the community college presidents respond on the matter of certificates. Dr. Beck commented from CSI's perspective that the associate's degree is still a top priority and the needs of much of the community right now are immediate, short term programs. Dr. Glandon commented that CWI's challenge has been addressing the short courses to prepare the citizens for work right now. They are looking at apprenticeship programs and work study programs where people could get in right away. Jay Lee from NIC commented that they are adjusting as quickly as they can to the demands of the job market in that area. Dr. Lee commented if the short-term needs of the students are met, it is likely the student will come back for more education later.

Mr. Luna commented that there may be a need to look at certificates and match them to the skills that are needed. He commented that it seems as if some students are just getting what they need in order meet the demand of the workforce and not actually obtaining certificates. He asked about obtaining data to get a better picture of that segment of the discussion and how we might measure to meet the demand of the workforce. Mr. Grothe indicated the type of information Mr. Luna is looking for may be better obtained through the Department of Labor.

President Beck commented that we must look at what is happening on the ground today and he felt the highest area of concern presently is rebuilding the workforce. Mr. Glandon commented the delivery is based on what the community is demanding.

Dr. Rush commented that we need to be careful not to load too much on the 60% goal wagon because its intent is not to solve short term needs. The theory is that the youngest core people (25-34 year olds) driving the next economy should have some sort of postsecondary credential. He commented on the need to figure out how these short term efforts contribute to the 60% goal which contains many levels of education, including short term needs.

Dr. Glandon added that it would be good to add non-credit students into the equation and capture those students in the picture. He questioned how to capture them and how to track them.

Mr. Edmunds wanted to know of the 1/3 of bachelor's degrees being produced, how much they need to grow over time, so there is a better understanding of what the four year institutions need to do. He also wanted to look more closely at the needs of the 2/3 associates degrees group. Mr. Edmunds commented that the short term gains are important for students, but we need to be able to look at following that through for the student to have continual education and not just quit their education after they are employed.

Selena pointed out the need of the institutions and Board staff to know if the Board is comfortable with the projections as presented or do they need to be reworked.

Mr. Luna commented he is comfortable with the projections and the 60% goal. He wants to be sure the skill sets are monitored and are consistent with the goals. Mr. Soltman clarified that the Board would like to see the numbers that correspond to the percentages previously noted.

Dr. Goesling would like to see how the Department of Labor information may be integrated into the work done by Board staff. He asked also if the two year institutions would continue to develop certificates for non-credited courses.

Dr. Rush mentioned that the Board office may be looking at doing its own data collection to get more information about certificates and skill sets and to obtain more data points.

6. J.A. and Kathryn Albertson Foundation

Dr. Rush introduced the Albertson's Foundation and commented briefly on its background and the positive impact they have had on the State of Idaho. He introduced Foundation Executive Director Jamie MacMillan and Program Developer Blossom Johnson. Ms. MacMillan provided an update to the Board regarding the Foundation's role in Idaho particularly as it relates to education. She talked about the Foundation's GoOn campaign successes, challenges and how it aligns with the State's 60% degree/certificate goal.

The Foundation has targeted its giving primarily to four areas shown to be key toward continuous improvement: leadership, technology, data and student achievement. They feel it is important to be aligned with the state's 60% goal. The Foundation believes all Idahoans need an education that prepares them for the 21st century workplace. They handed out a packet for Board members containing materials outlining the Foundation's missions, goals and objectives in making Idaho's education a world class system. With a forward momentum, the Foundation has strategies in mind which should help toward the 60% goal that include increased preparation, increased access, decreased remediation and increased retention.

Ms. Macmillan commented the Foundation is also interested in making the state data useful, and commented on how critical the alignment of certificates and degrees with the demands of the marketplace in Idaho is. Ms. MacMillan also commented on how important the use of data is in understanding where we are and where we need to go. Additionally, it provides insight in how financial aid strategies may be more effective and impact student achievement. She commented they are particularly interested in how financial aid might impact student success at various levels.

Ms. MacMillan indicated they just concluded a GoOn challenge in which 43 of the state's high schools participated in an initiative to boost college preparedness. Ms. MacMillan commented one of their areas of focus is the Data Quality Campaign. Their interests are on increased feedback loops in education systems, K12 and Higher Education as well as the workforce alignment piece. They believe Idaho is suffering from a lack of alignment with these systems and the economic development and workforce systems as well. Ms. MacMillan also recommended that Idaho look more closely at the Lumina Foundation's data dashboard system and how it could be developed in Idaho.

Mr. Lewis thanked the Foundation for their contribution to the state and asked about the GoOn campaign and what their intentions were with respect to the period of time that they expect to affect this campaign. Ms. MacMillan commented they are hopeful that the length of time would be short, because if it goes on for a great length of time, it would be failing. She commented they would also like to direct their attention at the high school level to the counselors and teachers. Mr. Lewis encouraged continued use of the GoOn campaign because of its success. Ms. MacMillan suggested someone from the Board talk directly to the Albertson's Board about collaboration and alignment strategies.

Ms. Johnson commented that the GoOn campaign has been the most public campaign and is a comprehensive strategy which includes not only preparation but access, affordability, retention and completion.

Mr. Edmunds asked what the Board can do to contribute to the direction of the Foundation. Ms. MacMillan commented that they appreciated being able to help keep members informed, and that there is great benefit in collaboration. She said a highlight to announce is the Foundation's next *Ed Session* being held January 24th and Mike Rowe from the television series *Dirty Jobs* will be here talking about how important a skilled workforce is to the economy.

Mr. Terrell pointed out that there is a committee that a few members from the Board sit on with the Governor's office and the Albertson's Foundation to discuss issues. Mr. Terrell asked if there are specific things the Board does not have flexibility on that the Foundation sees as areas for improvement. Ms. Johnson replied that there are other states using programs that could be beneficial to look at, for example the use of stackable credentials in Minnesota and also looking at the Lumina foundation data dashboard would be helpful. Ms. MacMillan indicated there are many areas of opportunity for the Board and the Foundation to work together.

For the purposes of accommodating some flight schedules, the meeting moved out of the PPGA agenda and to the Audit agenda at this time.

7. Idaho State Board of Education 2012-2016 Strategic Plan

M/S (Soltman/Edmunds): I move to approve the 2013-2017 Idaho State Board of Education Strategic Plan as submitted and to authorize the Executive Director to finalize performance measures that would be in conjunction with the cost per credit hour and benchmarks as necessary. The motion carried unanimously.

Tracie Bent from the Board office provided a report on the Board's strategic plan, highlighting changes made to the strategic plan. Ms. Bent indicated that there have been minor wording changes to a couple of the performance measures to further define the data being collected. Ms. Bent stated that one of the comments from the Department of Education will actually be a change in the future; currently the plan has a benchmark of 24 for the ACT score and as other assessments and data are available, the Department would like some additional criteria added. Another comment was related to the advanced placement (AP) courses and it was felt that a benchmark on each one of them could result in lessening the number of students who might go into an AP courses if there is too much emphasis on dual credit courses; there could be an adverse effect.

Ms. Bent stated that in addition to those comments, originally credits to a degree were considered as a measure for certificates. Due to large variation in credits required for different certificates the measure was reviewed and considered invalid, so certificates were eliminated from the measure and credits for associates and bachelor's degrees were identified as the measure.

Another comment was related to data on students who were enrolled in the WICHE professional student exchange program who returned to practice in Idaho. That data was not able to be obtained, so the number was altered to the number of students enrolled.

Ms. Bent commented that the final comment had to do with the cost per credit hour to deliver undergraduate instruction at four-year institutions. The benchmark is less than or equal to the peer group average and we can't compare that one to a peer group. This prompts the question of do we want to change it to a different group or look at a different measure?

President Westerberg commented that he felt the cost-per credit hour needed to be in the equation. He felt it was important to leave that KPI or a similar one in there, adding that we need something we can benchmark to.

Mr. Edmunds asked if there was a report on how we performed this last year. Ms. Bent stated that a report was included in the agenda material showing the four year trend and where we are for each measure.

8. Statewide Longitudinal Data System Grant Update

M/S (Soltman/Edmunds): I move to approve staff apply for the Statewide Longitudinal Data System grant and to authorize the Executive Director to sign the letter of commitment on behalf of the Board. The motion carried unanimously.

Andy Mehl from the Board provided an update of the Statewide Longitudinal Data System (SLDS) Grant. He commented we are currently working on transferring data into the SLDS through a secure data transfer system. Mr. Mehl stated the first set of data which covers last year's academic year should be loaded, verified and validated by January 2012 which will bring us into compliance with ARRA requirements.

Mr. Mehl indicated there is an opportunity to apply for a grant through the U.S. Department of Education's Institute of Educational Sciences. The grant is due December 15, 2011. Mr. Mehl is looking for the support of the Board in going forward and applying for that grant.

In order to apply for the P-20 SLDS grant, the State Board of Education would need to provide a letter of commitment that indicates the State Board of Education intends 1) sign a legally-binding cooperative agreement with the Idaho Department of Labor, 2) serve as a conduit for collecting all postsecondary data for the longitudinal database from all of Idaho's public postsecondary institutions and the State Department of Education and forwarding it to the Idaho Department of Labor; and 3) provide the staffing and financial resources necessary for meeting the Board's responsibilities as outlined in the Memorandum of Understanding.

This funding, with participation of the Idaho Department of Labor to fulfill the labor objectives and the State Department of Education on other objectives, will provide additional resources, shorten the implementation timeline for the P-20W SLDS and enhance the capabilities. The potential for funding from the Institute of Educational Sciences supports the Board's current postsecondary longitudinal data requirements. Board staff recommends partnership and collaboration with the Idaho Department of Labor and the State Department of Education, in the design, drafting, and submission of the P-20W SLDS grant.

Mr. Edmunds asked for clarification of the grant amount. Mr. Mehl clarified that our potential grant would be \$4 million over a three year period.

9. PPGA – Alcohol Permits Approved by University Presidents

Mr. Terrell commented that he feels that allowing more alcohol on campuses sets the wrong example for students and campus activities. Mr. Terrell suggested caps being put on the number of permits.

Mr. Luna asked that if based on Mr. Terrell's concerns, in the future will this item remain on the

consent agenda or be moved. Mr. Westerberg said that it would be removed from the consent agenda and moved to the PPGA agenda.

President Westerberg asked the Presidents council to review the item and report to the Board on the opinions regarding the alcohol in institution facilities policy.

Since the last update on alcohol permits at the October 2011 Board meeting, the Board staff has received twenty seven (27) permits from Boise State University, twelve (12) permits from Idaho State University, thirty-two (32) permits from the University of Idaho, and one (1) permit from Lewis-Clark State College. A brief listing of permits issued is included in the agenda attachments for Board review.

AUDIT

1. Financial Statements Review

M/S (Westerberg/Goesling): I move to accept from the Audit Committee the Fiscal Year 2011 financial audit reports for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College, as presented by Moss Adams, LLP. The motion carried unanimously.

Mary Case from Moss Adams, LLP, presented audit findings to the Board of annual financial statements for the colleges and universities. Moss Adams, LLP, is an independent certified public accounting firm hired to conduct annual financial audits of Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College and Eastern Idaho Technical College. Along with the agenda information, Board members received the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2011, which also contains the Management's Discussion and Analysis. Ms. Case indicated the firm arrived at clean opinions on all of the audits and there were no concerning findings at the institutions. She also indicated the timeline deadlines were all met by institutions despite a number of changes for some of the institutions.

Ms. Atchley complemented Moss Adams, LLC on their work with the institutions and the Board, and also the work of the institutions. Mr. Lewis echoed the sentiment of Ms. Atchley in the work of Moss Adams, LLC.

2. FY 2011 College and Universities' Financial Ratios

Mr. Lewis introduced this item. He asked the financial officers from each institution to share their financial ratios for the Board. Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College presented a brief analysis of their financial ratios. The ratios and analyses are provided in order for the Board to review the financial health of each institution and to show the relative efficiency of their enterprise. Mr. Lewis commented that the report contains a summary on the various benchmarks set forth for different ratios and the varying performance of each of the institutions with respect to those benchmarks. Mr. Lewis commented the report shows the institutions are improving and making progress and that he feels it is a healthy process. He further commented the ratios have been achieved in many cases, but in some areas there is still a need for improvement.

Stacy Pearson provided an overview of the financial ratios for Boise State University in which

they show an overall picture of financial health with their primary reserve ratio exceeding the benchmark. Ms. Pearson concluded that Boise State University's consolidated financial index is right on the benchmark.

Jim Fletcher from Idaho State University commented that despite three years of cutbacks in funding, their trend over time has been very positive. He commented that their improvement in terms of net assets is striking a very good return at return 241.4% of the benchmark and the return on net income from operations is even stronger at 524% of the benchmark. Overall their ratios are very strong and show an upward trend; there were no negative ratios. Mr. Fletcher reported their consolidated index at 156.6%. Mr. Fletcher recommended the Board track financial ratio information from year to year as a critical indicator for assessing how institutions are performing.

Ron Smith from the University of Idaho commented they are showing some improvement. Improvement is needed in the primary reserve ratio and the viability ratio areas. He felt the university did not have a lot of flexibility if there was a negative situation. He commented on the need to build reserves and pay for the growth of the institution.

Chet Herbst from Lewis-Clark State College (LCSC) commented they are content with the performance they have had and show a good trend in all areas. He commented that benchmarks are being met in all areas.

Ms. Pearson offered a final comment to the Board and Audit committee that Idaho is considered an industry leader as far as the national standard for quarterly reporting is concerned.

3. Office of the State Board of Education – FY2011 Legislative Audit

Matt Freeman from the Board office provided a recap of the Legislative Services Board of Education Office Management Report audit findings for FY2011. The review covered general administrative procedures and accounting controls to determine if activities are properly recorded and reported. The Legislative Audits did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the office.

Prior to the next agenda item, Board President Westerberg took a few moments to publicly recognize and thank Mark Browning for his service and present him with a plaque recognizing his contributions to the Board and the state of Idaho.

BUSINESS AFFAIRS & HUMAN RESOURCES (BAHR)

Section I – Human Resources

1. Amendment to Board Policy – Sections II.A., C., F., G., H., and P. – Second Reading

M/S (Terrell/Luna): I move to approve the second reading of the amendments to Board Policy II. A., C., F., G., H and P., as presented. The motion carried unanimously.

Mr. Terrell indicated there were no changes from the first reading.

2. Amendment to Board Policy – Section II.G.1.b. – First Reading

M/S (Terrell/Goesling): I move to approve the first reading of Board Policy II.G.1.b., as presented. The motion carried unanimously.

Matt Freeman from the Board office provided some background on this item. This amendment to Board policy will allow institutional authority to offer multi-year contracts for non-tenure track faculty. This motion has some impact on the University of Idaho's approval of a five-year contract for a non-tenured faculty position. Mr. Freeman noted that based on current language in the event there was a need to have a contract in excess of three years, it would require the Board waive the policy. Mr. Soltman asked that in moving forward and as recommended by Mr. Freeman, additional language be included allowing longer contract periods with Board approval.

3. Amendments to Optional Retirement Plan Document

M/S (Terrell/Soltman): I move to approve the amendments to the Optional Retirement Plan document as presented in Attachment 1. The motion carried unanimously.

Mr. Terrell indicated Staff has updated and defined the term plan administrator and made minor format changes as documented in the agenda materials provided to Board members. The proposed amendments will bring the Plan into compliance with the federal tax law.

4. Boise State University – Retirement Plan Revisions – Chris Peterson

M/S (Terrell/Atchley): I move to approve the request by Boise State University to: adopt a new 401(a) base plan and 415(m) excess benefit plan; to amend the existing BSU 403(b) Base Plan and BSU 415(m) Excess Plan; and to authorize the Vice President for Finance and Administration to execute the necessary documents. The University is authorized to request an IRS private letter ruling or determination letter, as applicable, as the Board cannot guarantee the tax consequences of the Plans pending IRS action. The motion carried unanimously.

Mr. Terrell summarized the requested changes arise out of a comprehensive review of Mr. Petersen's plans and are based on recommendations from Ice Miller. By adopting new plans and making the recommended amendments to existing plans, the University mitigates the risk of adverse findings in the event of an IRS audit. Once plans have been approved, the University will seek a private letter ruling from the IRS on the new 415(m) excess benefit plan. The Board's deputy attorney general and outside tax counsel worked closely with BSU counsel on the matter of Mr. Petersen's deferred compensation plans. The Board's tax counsel has reviewed the existing BSU 403(b) Base and 415(m) Excess plans (approved by the Board in November 2009) and believes there is little to no risk of an adverse finding by the IRS, but supports the University's decision to adopt new plans in an effort to ameliorate any concerns.

5. University of Idaho – Multi-Year Contract for Clinical Law Instructor and Associate Dean for Boise Programs

M/S (Terrell/Soltman): I move to approve the request by the University of Idaho to approve a five year contract for clinical law instructor and Associate Dean for Boise Programs, Lee Dillion, and to authorize the University's Vice President for Finance and Administration to execute the contract in substantial conformance to the form submitted in Attachment 1. The motion carried unanimously.

The proposal is for the renewal of the Board-approved multi-year contract pursuant to ABA Accreditation Requirement for the College of Law. This is a five year contract for an associate dean position at the University of Idaho's College of Law.

6. Boise State University – Athletic Director Contract

M/S (Terrell/Goesling): I move to approve the request by Boise State University to enter into a new multiyear Employment Agreement with Mark Coyle, Athletic Director, for a term commencing January 1, 2012 and terminating December 31, 2016, in substantial conformance to the agreement submitted to the Board as Attachment 1. The motion carried unanimously.

Mr. Terrell indicated Boise State University is requesting approval of a multi-year contract for a new Athletic Director. Mark Coyle has been offered the position of Athletic Director at Boise State University. Mr. Coyle comes to Boise State from the successful collegiate program at the University of Kentucky.

Dr. Goesling expressed his appreciation in the efforts of BSU during this hiring process.

**BUSINESS AFFAIRS & HUMAN RESOURCES (BAHR)
Section II – Finance**

1. Amendment to Board Policy – Sections V.B., D. and V. – Second Reading

M/S (Terrell/Soltman): I move to approve the second reading of Board Policy V.B., D., and V., as presented.

Substitute Motion: M/S (Terrell/Lewis): I move to hold this item for a second reading and meet with financial Vice Presidents and Rod Lewis. The motion passed by unanimous consent.

Mr. Terrell indicated there were no changes from the first reading.

Mr. Lewis expressed concern about altering or removing certain reporting standards related to this policy.

Mr. Freeman indicated there was discussion about this item in a Financial VP meeting and the reports that were decided upon to be removed were identified as unnecessary, duplicative or discretionary.

After discussion on the item, an alternative motion was presented to return the item to BAHR for review before the second reading in terms of the adequacy of the reports themselves.

Mr. Lewis commented that he did not need to give his input on the item, that he was comfortable about its review by BAHR.

2. Amendment to Board Policy – Sections V.F., and K. – Second Reading

M/S (Terrell/Soltman): I move to approve the second reading of the amendment to Board Policy V.F., Bonds and Other Indebtedness and V.K. Construction Projects, as presented.

Substitute motion: M/S (Lewis/Soltman): I move to approve the second reading of the amendment to Board Policy V.F., Bonds and Other Indebtedness and V.K. Construction Projects, as presented, with the deletion of the sentence at the end of paragraph iii.c.

The motion carried unanimously. Mr. Terrell abstained from voting.

Mr. Terrell indicated the revised policies will provide clarity in terms of the Board's expectations and preferred process for submitting requests for major capital project approval.

Mr. Lewis asked which version is the second reading. Mr. Freeman clarified that what is in the agenda is the second reading and does not reflect the edits provided by Mr. Lewis.

Mr. Westerberg suggested holding the item until the edits by Mr. Lewis could be reviewed by other Board members. Through unanimous consent they agreed to handout the edited material so it could be voted on after the break during this meeting.

Dr. Goesling expressed concern about whether the institutions have seen the edits and been given the opportunity to offer comments. Mr. Freeman clarified that they have seen the material and offered comments.

Later during the Board meeting, this item was revisited. After further discussion, a substitute motion was offered by Mr. Lewis.

Dr. Rush and Mr. Terrell complimented Matt Freeman in his efforts in these policy revisions.

3. Amendment to Board Policy – Sections V.C. – First Reading

M/S (Terrell/Atchley): I move to approve the first reading of proposed amendments to Board Policy V.C., as presented in Attachment 1. The motion carried unanimously.

Mr. Terrell indicated Staff recommends amending the policy to remove the provision with respect to spending authority because the provision has already been granted by the Legislature. The recommendation is to incorporate Idaho Code by reference with respect to non-cognizable funds.

4. Amendment to Board Policy – Sections V.N. – First Reading

M/S (Terrell/Atchley): I move to approve the first reading of proposed amendments to Board Policy Section V.N., as presented in Attachment 1. The motion carried unanimously.

Mr. Terrell asked Mr. Freeman for an update on this amendment. Mr. Freeman summarized updating this Board policy will clarify and streamline approval and reporting requirements, which benefits staff for the Board and the institutions. Similarly, revising the indirect cost recovery policy will help facilitate grants management at the institutions and agencies.

Mr. Freeman commented that this policy on grants and contracts has had the dollar thresholds updated for purposes of reporting requirements. It has also had terminology clearly defined and used consistently throughout the policy. Additionally, the provisions have been updated on when an institution can waive indirect cost recovery rates and when that needs to be reported to the Board.

Mr. Freeman pointed out an item of interest also found in staff comments regarding a one sentence policy on no-compete. He indicated questions have arisen from the institutions on what the scope of that policy is. Mr. Freeman suggested that should the Board want to maintain

a no-compete position, it may want to consider providing more details of the scope and intent of the policy.

President Westerberg recommended the BAHR committee make revisions to clarify the policy for the second reading. Mr. Freeman commented that the change would be quite material and require Board member feedback.

5. Amendment to Board Policy – Sections V.R. – First Reading

M/S (Terrell/Lewis): I move to approve the first reading of proposed amendments to Board Policy Section V.R.3.a.iv. Professional Fees, and Section V.R.3.a.v., Self-Support Certificate and Program Fees, as presented in Attachment 1. The motion carried unanimously.

Mr. Terrell commented the proposed revisions establish a clear process for program approval, reporting of fees and financial auditing. Additionally, the revisions specify that self-support academic programs pay an overhead/administrative charge to offset indirect expenses incurred by the program.

Mr. Freeman provided some background on this item, stating that the Board office had considerable inquiries on what programs are eligible for self support fees. One of the efforts of this policy change is to clarify when and how an institution can apply for self support fees and what programs could be eligible. Additionally, Mr. Freeman indicated that staff and institutions have found that the policy on professional fees and self support fees lacked clarity, therefore the policy on professional fees was revised at the same time. The intent was to differentiate and clarify differences between professional fees and self support fees. Mr. Freeman briefly outlined the changes for the Board members.

Mr. Westerberg commented he agrees with the changes made to the self support program.

Mr. Lewis commented the self support language is helpful. He had a question on why the word “academic” was included and what meaning was attached to it. Secondly Mr. Lewis questioned in V.1.a., regarding program approval guidelines, if III.G. leads to III.Z. Mr. Lewis also commented in the new language a requirement was removed where the students in the self-support program pay a fee for the entire program and not on a course-by-course basis. Mr. Lewis asked why that language was removed.

Mr. Freeman stated he inserted the word “academic” because for the technical colleges and programs, the appropriation that PTE receives covers the full cost of instruction. I.e., it is already supported by state appropriation and self support fees should only incorporate academic programs. Mr. Freeman commented to Mr. Lewis’ second question, that III.G. does lead to III.Z. In answering Mr. Lewis’ third question, Mr. Freeman commented that the language was removed because it narrows access to the program.

6. Intercollegiate Athletics – Gender Equity Report

Mr. Terrell commented that the Audit committee was asked by the BAHR committee to look into matters related to gender equity plans and funding at the institutions. The committee conducted several interviews and engaged the external and internal auditors to make supplementary investigations. The committee directed staff to prepare a report summarizing the findings and recommendations. The report was reviewed and finalized by the committee. The Committee

directed staff to place the gender equity report on the December Board agenda and to allow the full Board to decide if further institution-level discussions are necessary. One important finding from the investigation is the need for institutions to be open and transparent with the Board, especially when there are questions related to Board policy or intent. When Board staff cannot provide a definitive answer regarding Board policy or intent, staff and the institution should direct their questions to the respective committee or the full Board. Other recommendations in the report include the need to clarify Board policy in regard to athletics funding sources, limits and gender equity. A proposed policy for first reading is being brought forth as a separate agenda item.

Ms. Atchley commented the Athletic committee discussed some recommendations which are incorporated into the policy. She commented that the Athletic committee is not necessarily in agreement on all the details and would like additional comment from Board members as to the direction the Athletic committee should go in this policy.

Mr. Lewis commented that the Audit committee spent a fair amount of time working through this item. He expressed concern that there is confusion between Board intent and policy as originally written and is open to different interpretations.

7. Amendments to Board Policy Section III.T.

President Westerberg asked for unanimous consent to return the item to BAHR for consideration and work to be brought forth at a later time to the Board. President Westerberg clarified that the BAHR Committee should have the lead on this item but receive input from the Athletics Committee.

Ms Atchley commented on behalf of the Athletic committee. She indicated the changes to this policy will provide the Board, institutions, and staff clearer understanding of the source of athletics revenues, greater oversight by the Board, and a method to show how the institutions are addressing compliance with Title IX.

Ms. Atchley stated one of the things needing clarification is the use of gender equity funds. The Board has defined gender equity, but the Athletic committee feels it needs more input from the Board regarding the use of gender equity funds with regard to funding new programs or existing programs at a higher level.

Ms. Atchley indicated the second change has been made in the funding formula and asked Mr. Freeman for further clarification. Mr. Freeman offered further clarification that the intent of the changes to this policy is to clearly define the terms of the source of funds for athletics, define the term gender equity which was not in the current policy, and to clarify the reporting requirements. The changes to this policy will also adjust the funding formula in place when athletic limits are approved by the Board in February.

Mr. Terrell clarified that the Board needs to comment on this item, particularly how athletics and academia are funded, over the next two months to be ready in February when the FY 2013 budgets are determined.

Mr. Lewis suggested funding for new programs as one option to consider.

Ms. Atchley is not convinced that the gender equity we currently have is equitable at this point and commented there has been much discussion on the matter, but a conclusion has not come of it yet. Mr. Terrell asked the VPs of Finance to come back to the Board with a report on gender equity funding.

Mr. Westerberg stated that setting the base is the main issue. Mr. Soltman said under Title IX a base line must have been established, and he recommended reviewing the starting point and working forward from it to see where it has come from. Ms. Atchley commented there are a lot of components that make this a complex issue.

Jim Fletcher from Idaho State University commented that they understand the purpose of the gender equity policy and they have significant concerns about gender equity funding. He recommended the Board allow each institution to come forward with a strategic plan regarding gender equity, outlining specific needs and requirements. Then, the Board could adjust the funding accordingly. Mr. Fletcher felt in doing so, the institutions could identify what their gender equity requirements truly are and also enable the Board to have appropriate control on funding.

Ms. Pearson from BSU commented they feel the institutions should not necessarily fund their gender equity the same given different circumstances for each institution. Ron Smith from the University of Idaho agreed and remarked how each institution has challenges based on where they are located. Chet Herbst from LCSC commented student athletic programs are a legitimate use for general fund dollars.

Mr. Terrell would like to see what the costs are per student in gender equity and asked each of the institutions to sit down together to compile this information.

Mr. Lewis suggested this issue go to the BAHR committee and perhaps the Athletics committee to establish a base line and formula for gender equity.

Pres Westerberg asked the institutions to be prepared to discuss their plans on the gender equity issue in the future.

Mr. Lewis offered comment that athletics should be funding itself; that athletics should not be funded with academic dollars.

8. FY 2011 College and Universities' Net Asset Balances

Mr. Terrell introduced this item. Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College provided a brief analysis of their unrestricted net assets.

Mr. Fletcher from Idaho State University commented net asset balances continue to show improvement. They have a total of over \$12 million in the unrestricted assets pool. This reflects the strong performance in operating surplus this year and a continued trend of improvement. They are over the minimum requirement set by the Board and currently are at 5.9%. Even though they are over the minimum, they are not where they could be and there is still a need to have ample reserves.

Ms. Pearson reported unrestricted net asset balances for BSU are over \$93 million. Designated funds are at nearly \$24,500,000 and unallocated funds are at \$7.477 million which is up from where it was last year. The goal is to get up to 5% in unallocated funds.

Mr. Edmunds asked if each institution have the same criteria in each category. Mr. Freeman clarified that the categories and subcategories for each institution are uniform. The “other” category may contain differing items however.

Ron Smith from the University of Idaho commented their balance report shows unrestricted net assets of about \$20 million dollars. Their unallocated reserves are about \$5.5 million. Mr. Smith commented on the need to increase that amount.

Ms. Atchley asked if they have plans to increase the unrestricted available funds. Mr. Smith commented that they do have plans to increase those funds and it is a priority to get that number up.

Mr. Herbst commented for LCSC that they currently show \$16.9 million in unrestricted net assets. He stated they are satisfied with this amount given the current economic climate but realize the importance of growing reserves. He further commented the college has made a concerted effort to not raise student tuition while they build up their reserves.

Mr. Westerberg and Mr. Terrell commented they are satisfied with the reports and that the institutions have made progress building their reserves and determining the best ways to accomplish that.

9. Boise State University – Bronco Stadium Expansion Project – Phase I, Football Complex

M/S (Terrell/Edmunds): I move to approve the request by Boise State University to proceed with construction of the football complex for a total project cost not to exceed \$22 million. The motion carried unanimously.

Mr. Terrell introduced this item. In the agenda materials, Boise State University provided a report on Phase 1 of the Bronco Stadium Expansion Project.

Total project costs are estimated at \$22 million, with approximately \$15 million to be financed with 30 year bond proceeds. This would bring BSU’s projected debt service up to just over 6% of operating budget. In recent years, the Board has informally considered 8% as a debt service ceiling. Based on conservative assumptions, annual bond service payments would be almost \$1.1 million for the term of the bond. The financial pro-forma shows positive project cash flow from inception.

Staff notes that on November 7, 2011 the Board of Directors of the J.A. and Kathryn Albertson Foundation announced a \$3 million grant to the Boise State University Foundation. The grant establishes a partnership between the Foundation and Boise State’s intercollegiate athletics program. Funding will be used to expand the football athletic complex, create an academic center within the complex, and continue the Foundation’s Go On awareness campaign in conjunction with Boise State Athletics.

10. Boise State University – Bronco Stadium Bleacher Upgrades

M/S (Terrell/Edmunds): I move to approve the request by Boise State University to increase the scope and budget of the Dona Larsen Park project to include the procurement and installation of new Bronco Stadium Bleacher seating at a cost not to exceed \$3.1 million for a total revised project cost of \$9.1 million. The motion carried

unanimously.

Mr. Terrell introduced this item. In the agenda materials, Boise State University provided a report on the Donna Larsen Park upgrade and expansion of Bronco Stadium Bleachers.

The cost of the new bleachers is estimated at \$3.1M and is based upon an estimate provided by the Dona Larsen Park design-build contractor, McAlvain Construction. The current project budget for Dona Larsen Park is \$6M. To provide the necessary funds for the new and additional Bronco Stadium bleacher seating, the project budget will increase to \$9.1M. The source of funds for the budget increase is outlined below and includes the use of central university reserves as an internal loan to Athletics to be repaid with interest, through the additional ticket sales revenue from the additional 3,300 seats. Current project funding sources include: Private Gifts \$6,000,000 University Central Reserves \$3,100,000* Total \$9,100,000 *Boise State University will provide the remaining funds needed for this project from central reserves via an internal loan to the Athletic Department to be re-paid with interest at approximately 4.5% in a 3-5 year time period from the new revenue generated from the additional 3,300 stadium seats. Boise State University (BSU) has performed an analysis to examine the financial viability of investing \$3.1M for 3,300 new bleachers. At 100% occupancy, the investment is recouped in 3.5 years. At 85% occupancy, repayment occurs within 4.5 years.

11. Boise State University – Enterprise System Roadmap - Human Capital Management & Finance Services Agreements

M/S (Terrell/Atchley): I move to approve the request by Boise State University to approve the agreement with CIBER for the Human Capital Management system upgrade consulting services in conjunction with the Enterprise System Roadmap project for a total cost not to exceed \$1.72 million. The motion carried unanimously.

M/S (Terrell/Soltman): I move to approve the request by Boise State University to approve the agreement with CIBER for the Finance system upgrade consulting services in conjunction with the Enterprise System Roadmap project for a total cost not to exceed \$1.74 million. The motion carried unanimously.

Mr. Terrell introduced this item. In the agenda materials, a summary was provided for the Board members. At the Board's April 2011 meeting, BSU brought forward an information item putting the Board on notice that it would be requesting approval for various enterprise resource planning system expenditures at future Board meetings. This agenda item is the fourth such request for the Board's consideration. This request is for approval for BSU to engage a technical consultant in support of the Enterprise Roadmap project as it relates to HR and finance system upgrades. Total cost for the Enterprise System Roadmap project is estimated at \$12M over four to five years. Staff comments in April were that where applicable BSU should ensure that each phase of this project supports, or at a minimum does not conflict with, the Board's ongoing work towards development of the postsecondary piece of a statewide longitudinal data system. This recommendation still stands.

12. University of Idaho – Delta Zeta Ground Lease

M/S (Terrell/Soltman): I move to approve the proposed ground lease between the University of Idaho Board of Regents and Delta Zeta Sorority and to authorize the University's Vice President for Finance and Administration to execute that ground lease in substantial conformance to the form submitted in Attachment 1. The motion carried

unanimously.

Mr. Terrell introduced this item. In the agenda materials, a summary was provided for the Board members. Summarily, no new financial costs will be imposed on the university by this lease, beyond lost revenue from the parking lot. Net annual revenue from the parking lot is currently about \$2,400. The lease agreement provides that the initial term of the lease is for 40 years with an option to renew for an additional 40 years. The lease payment for the initial term is one lump sum payment of \$150,000 which equates to \$3,750 per year. The lease agreement further provides that rent for the renewal term would be \$2,500 per year. Staff observes that the rent payment during the renewal term would be de minimis when discounted for inflation 40 years hence.

DEPARTMENT OF EDUCATION AGENDA

During the meeting, this item was moved up from the original agenda ahead of the IRSA materials.

1. Superintendent's Update

Superintendent Tom Luna presented an update to the State Board of Education on the State Department of Education. A presentation from Boise State University by Patrick Lowenthal, Instructional Designer, on "High Quality Online Learning" was originally scheduled, but in consideration of time, it was rescheduled for the next Board meeting.

Mr. Luna provided an update on the Students Come First Technology Task Force, commenting that the 38 member committee will hold a meeting next week. Mr. Luna will share the recommendations and outcomes from that meeting at the next Board meeting.

Mr. Luna provided an update on the No Child Left Behind waiver timeline. He shared an overview with the Board members and encouraged Board members who have questions or comments to act quickly given the fast timeline. Of particular interest, the comment period begins January 9, 2012. The document will require Board approval by February 15, 2012. The federal deadline for the waiver is February 21, 2012.

2. Amend Temporary/Pending Rule – Docket 08-0203-1001

M/S (Luna/Lewis): I move to approve the Mullan School District's trustee boundary rezoning proposal, as submitted. The motion carried unanimously.

This item was presented by Superintendent Luna to approve the Mullan School District's resubmitted Trustee Boundary Rezoning Plan as required by Idaho Statute and the 2010 Census Data. The Mullan School District is the final Idaho school district whose Trustee Boundary Rezoning Plan has not been approved. The plan submitted in time for this Board meeting meets the criteria outlined at the April 2011 State Board Meeting and is brought before the state Board for approval.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS (IRSA)

1. Proposal for the Complete College Idaho Plan

M/S (Edmunds/Soltman): I move to approve the framework for Complete College Idaho:

A Plan for Growing Talent to Fuel Innovation and Economic Growth in the Gem State, direct the IRSA Committee to obtain stakeholder feedback and buy-in, and bring back the plan for approval at the June 2012 Board meeting. The motion carried unanimously.

Mr. Edmunds introduced Selena Grace from the Board office to present this item with the assistance of Jessica Piper, also from the Board office. The Complete College Idaho Plan proposes focus on improving educational attainment in a way that is responsive to the needs of business and those who will hire the workforce of the future. Increasing the educational attainment of Idahoans will better prepare them for future job requirements. It has the potential to attract out-of-state businesses to Idaho, thus positively impacting Idaho's future economic development. Ms. Grace commented from this plan we can build a system in which our students graduate with the knowledge and skills that maximize their potential for success in the workforce while providing business with the necessary talent needed to thrive. The proposed strategies in this plan will aid in meeting the goal that 60% of Idahoans age 25-34 have a college degree or credential of value by 2020.

Ms. Grace commented that the timeline is an aggressive one and in June they propose to bring a proposed plan for the Board to approve.

Mr. Edmunds suggested the need to formalize the group and suggested IRSA would be responsible for forming the group and taking responsibility for pursuing its progress. Mr. Edmunds recommended the directives be aligned and reconciled with the Albertson's Foundation group.

2. Boise State University – Approval of Full Proposal: Doctor of Philosophy (Ph.D.) in Materials Science and Engineering

M/S (Edmunds/Goesling): A motion to approve the request by Boise State University to offer a Doctor of Philosophy in Biomolecular Sciences in Materials and Science and Engineering. The motion carried unanimously; Mr. Lewis abstained from voting.

Boise State University received a donation from the Micron Foundation in the amount of \$12,910,000 that will support the development of a new Ph.D. in Materials Science and Engineering (MSE). The gift from the Micron Foundation, however, is contingent upon the Board formally approving the establishment of the proposed MSE program. In the agenda materials, Attachment 1 depicts new funding for the proposed Ph.D. program. Table 1 differs from the budget table in the full proposal in that Table 1 spreads the Micron donation over four years instead of three, and it depicts the budget for five years instead of three. The "University Total" in FY16 represents the ongoing funding that the university will need to allocate to the new program. Table 2 depicts the planned disbursements of the gift from Micron. Note that the disbursements occur over three years in amounts greater than expenditures attributed to the Micron gift. The resulting funds will be carried forward until in FY2015 they total \$3,063,667. That amount of expenditures is attributed in FY15 to the Micron gift.

3. Higher Education Research Council Appointments

M/S (Edmunds/Terrell): I move to appoint Peter Midgley to the Higher Education Research Council for a three-year term; effective immediately, expiring December 2014. The motion carried unanimously.

Tracie Bent from the Board office introduced this item. Due to the pending changes to Board

Policy III.W., Higher Education Research, the appointment of the vacant position was held open. The Board approved the second reading of Board Policy III.W. during the October 2011 Board meeting. Members of the HERC council solicited names for the position and has forwarded Peter Midgley's name to the Board for consideration. Mr. Midgley would serve a three year term effective immediately.

4. Statewide Strategic Plan for Higher Education Research

M/S (Edmunds/Terrell): I move to approve the Statewide Strategic Plan for Higher Education Research as submitted. The motion carried unanimously.

Mr. Edmunds introduced this item. A summary was provided for the Board members in the agenda materials. The Vice Presidents of Research from the University of Idaho, Boise State University and Idaho State University were charged with developing a Statewide Strategic Plan for Research. The Research Plan has been completed and was submitted to the Higher Education Research Council (HERC) for review and approval at their November 16, 2011 meeting. HERC has accepted the Statewide Strategic Plan for Higher Education Research and is presenting it to the Board for approval.

Investing in the state's unique research expertise and strengths could lead to new advances and opportunities for economic growth and enhance Idaho's reputation as a national and international leader in excellence and innovation. The plan will be monitored annually and updated as needed. The Higher Education Research Council will report to the Board annually on the progress made toward meeting the plans goals and objectives. Board staff has reviewed the plan and recommends approval.

5. Online Course Governance

Mr. Edmunds introduced this item and commented that the Albertson's Foundation has put up all of the money so far for the Idaho Education Network (IEN). Superintendent Luna clarified the details about where money has come from stating that \$3 million has come from Federal stimulus dollars and the Albertson's Foundation match equated to \$6 million, for a total of \$9 million. He commented that the state has not spent any funds yet. In the coming year, there will be an appropriation request of state dollars to pay for operations.

Mr. Edmunds said the question came up as to what role the Board will play related to on-line education overall and how to make it successful for all Idaho students. Mr. Edmunds commented the IEN has the potential to become more than the backbone of on-line learning in the future. Mr. Edmunds introduced Dr. Rush, Executive Director of the State Board of Education.

Dr. Rush commented that on-line learning has garnered significant attention lately and a significant tool for on-line learning was the creation of the Idaho Education Network. It was created by the Legislature and housed in the Department of Administration. The intent of the IEN effort is to be able to reach every Idaho student. The Governor appointed Dr. Cliff Green as Executive Director of the IEN to engage in fulfilling this task. A joint task force was developed to help develop the IEN's strategic plan. On that task force representing the Board is president Westerberg, Dr. Rush and representatives from the Council on Academic Affairs and Programs (CAAP). Once the planning effort is completed, the results will be brought to the State Board for any approvals or implementation. Dr. Rush then introduced Dr. Green to the Board. Dr. Cliff Green shared a brief overview and planning process of the IEN with the Board.

Dr. Green commented the IEN operates under three important goals which are “connect, instruct and achieve”. The analogy Dr. Green used was that of building a highway. The “connect” goal enables students in remote areas to have the same opportunities as students in populated areas. The “instruct” goal is where partnerships are developed between stakeholders. The “achieve” portion includes outcomes and having a positive statewide impact on student achievement and college readiness.

Dr. Green stated that the Department of Administration has just completed phase 1 of the project which is ahead of schedule and under budget. The project has come in at \$42 million, which was below the \$50 million projected cost. They used a combination of stimulus dollars, e-rate dollars and Albertson’s Foundation grant dollars to fund this program. Dr. Green announced that as of December 15, 2011 all high schools in Idaho will be connected.

Moving forward in this project, Dr. Green commented that they will be relying heavily on their partners and stakeholders, and there will be a need for a coordinated effort through this process. Mr. Green commented that if IEN is used to its potential, it can help with college readiness. Dr. Green commented about the Step Ahead program and advance placement (AP) courses, stating that the IEN has helped students in the Step Ahead program learn how to prepare applications to go to college. IEN has been partnering with community colleges and school districts in providing AP classes. The types of classes that will be offered are AP, dual credit and PTE courses. Dr. Green strongly believes the IEN can help the Board with its strategic plan along with Idaho’s 60% goal by working with Idaho schools and institutions in a coordinated effort.

Dr. Green commented about the IEN’s timeline and stated they would like to begin working immediately to develop a strategic plan and have it before the Board by March 1st. He added that they are using a facilitator to help create this plan who has worked with the Board before.

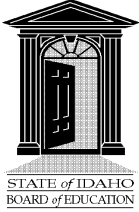
Mr. Edmunds commented that this is a great time for the Board to get involved with the IEN and asked the Board take leadership on this item.

Superintendent Luna encouraged Board members to sit in an IEN classroom to see firsthand how it works with instant classroom communication. This will help gain an understanding and appreciation of how important this is for Idaho.

OTHER BUSINESS

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

M/S (Westerberg/Edmunds): To adjourn the meeting at 4:29 p.m. The 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
 December 30, 2011
 Special Teleconference Meeting
 Preston, ID**

A special teleconference meeting of the State Board of Education was held December 30, 2011. It originated from Board President Westerberg's office in Preston, Idaho. President Richard Westerberg called the meeting to order at 9:00 a.m. A roll call of members was taken.

Present:

Richard Westerberg, President
 Don Soltman, Secretary
 Emma Atchley
 Bill Goesling

Ken Edmunds, Vice President
 Rod Lewis
 Tom Luna

Mr. Lewis and Superintendent Luna joined the meeting at approximately 9:04 a.m.

The following individuals from Boise State University participated in the teleconference: Dr. Bob Kustra, President; Kevin Satterlee, Legal Counsel; and Kurt Apsey, Interim Athletic Director.

Absent:

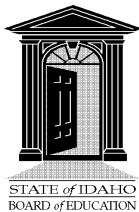
Milford Terrell

EXECUTIVE SESSION (Closed to the Public)

1. Boise State University

M/S (Edmunds/Soltman): I move to hold an executive session pursuant to sections 67-2345(1)(b) and (d), Idaho Code, to consider the evaluation of a public officer, employee, staff member or individual agent and to consider records that are exempt from disclosure as provided in Chapter 3, Title 9, Idaho Code. A roll call vote was taken; the motion carried unanimously.

M/S (Edmunds/Soltman): To go out of Executive Session and adjourn the meeting at 10:45 a.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

**DRAFT MINUTES
STATE BOARD OF EDUCATION
January 4, 2012
Special Board Meeting
Boise, ID**

A special meeting of the State Board of Education was held January 4, 2012. It originated at the Office of the State Board of Education, in the Len B. Jordan building, 650 W. State Street, 3rd Floor in Boise, Idaho. Board President Richard Westerberg presided and called the meeting to order at 2:30 p.m. A roll call of members was taken for the meeting.

Present:

Richard Westerberg, President
Ken Edmunds, Vice President
Don Soltman, Secretary
Milford Terrell

Emma Atchley
Bill Goesling
Rod Lewis
Tom Luna

BUSINESS AFFAIRS & HUMAN RESOURCES (BAHR)

1. Boise State University – Head Football Coach Salary

Boise State University requests approval to increase the base compensation for its head football coach, Chris Petersen. The university currently has a five-year employment agreement with Mr. Petersen through January 2016. Following this last season, the University negotiated terms for a new five-year employment agreement with Mr. Petersen through January 2017 to include a base compensation package of \$2,000,000 in the first year. In February 2011, the Board approved a \$35,000 increase to Mr. Petersen's base salary, bringing it up to \$1,175,000. The University seeks approval for a \$375,000 increase in Mr. Petersen's base compensation.

BOARD ACTION

M/S (Terrell/Edmunds): I move to approve the request by Boise State University to increase the base compensation for Chris Petersen to \$2,000,000 for the 2012-2013 year, and to bring to the Board an amended employment contract for approval at the February 2012 Board meeting.

Discussion: Mr. Luna asked for clarification on the funding for Coach Petersen's contract. Mr. Terrell clarified that with all payments under this employment agreement, no state funds are used and the amounts are paid only from program revenues, media, public appearance fees,

donations and other non-state funds. Mr. Luna asked if this approval today is for a one-year or for a five-year contract. Mr. Terrell responded that the increase today is for the 2012-2013 year and that BSU will bring an amended contract to the Board for review during the February 2012 board meeting.

OTHER BUSINESS

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

M/S (Luna/Edmunds): To adjourn at 2:38 p.m. Motion carried unanimously.

