

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16, 2012**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>1</b>	<b>BOISE STATE UNIVERSITY - EXECUTIVE MASTER OF BUSINESS OPERATIONAL EXCELLENCE</b>	Approval Item
<b>2</b>	<b>CENSUS DATE CHANGE MEMO</b>	Approval Item
<b>3</b>	<b>EPSCOR ANNUAL REPORT</b>	Information Item
<b>4</b>	<b>QUARTERLY REPORT: PROGRAMS AND CHANGES APPROVED BY EXECUTIVE DIRECTOR</b>	Information Item

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Approval of Full Proposal - Executive Master of Business Operational Excellence

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section III.G. 4. and 5. And section V.R.3.b.

**BACKGROUND/ DISCUSSION**

Boise State University proposes to offer a new Executive Master of Business Operational Excellence (EMBOE). The proposed program will be offered by the College of Business and Economics (COBE).

The proposed EMBOE will serve individuals currently working in mid-management positions who have been charged with creating operational excellence throughout their organization through “lean management”, strategic planning, and change management. The EMBOE will complement, but differ substantially from, two existing graduate programs offered by COBE: (i) the existing Master of Business Administration program creates broad managerial expertise, and has a daytime track for full-time students, and an evening track for part-time students and (ii) the existing Executive Master of Business Administration program also creates broad managerial expertise, but serves individuals presently in high-level managerial positions who need education.

Graduates of the proposed program will meet an important need for sustained process improvement within organizations. Typically an organization will hire a consultant to help it reengineer its processes to become more efficient, and usually the payoff, in terms of increased efficiency, greatly exceeds the cost of the consultant. However, once the consultant leaves and there is no longer anyone spearheading the efficiency efforts, there often will be a gradual decrease in the efficiency of the organization. EMBOE graduates will be able to sustain efficiency efforts over the long term and thereby sustain the substantial decrease in costs and increase in production that result.

The proposed program includes a unique partnership between a state university and a private organization, the Kaizen Institute (World Headquarters: Zurich, Switzerland; USA Headquarters: Seattle, Washington). The Kaizen Institute is a well-known world-wide consulting expert in the area of lean operations, and their role in the program will be two-fold: (i) they will assist in instruction, and will provide a “real-world” perspective in the classroom and (ii) they will help recruit students from across the globe. This partnership is described fully in a separate contract document.

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Most, if not all, students who enroll will be sponsored by their employer. Experience with similar programs suggests companies with less than about \$25,000,000-\$50,000,000 in annual revenues rarely sponsor an employee to attend a program such as the one proposed herein. In 2008 (the latest published data), 34,000 United States corporations (and 120 Idaho corporations) had revenues of \$50,000,000 or more. An assumption that each company might send only one person to such a program such as this, yields an estimate of the potential market in the US to be 34,000 potential students and in Idaho to be 120 students. The actual potential market is much larger because (i) the proposed program will draw globally and (ii) in addition to corporations, the program will attract from privately-held companies, foundations, governmental agencies, non-profits, etc. The program has the potential to draw globally, so the actual market potential would be substantially greater than 34,000 students from businesses. Note that employees of businesses are only one of the target market segments for this program. Persons working in education or for the government are also prime candidates for this program.

The concept of the EMBOE program has been presented to local companies and organizations such as St. Luke's, St. Al's, Simplot, Boise, Inc., Woodgrain, and others, and without exception they all embraced the concept and stated there is need.

There is presently very little competition with the proposed program. Although many options exist for training in the basics of process improvement, only two graduate degree programs are available worldwide, one at Ohio State University and one at Cardiff University in Wales.

**IMPACT**

The program will be self-supporting, and no state appropriated funds will be used. Program revenues, derived from student fees, cover all administrative, instructional, and operating costs. As a self-support program, each student will be charged \$44,700 for the four-quarter program. Initial startup costs of the program will be funded via a college local account. Those costs will be repaid by the program within three years of startup consistent with Board Policy V.R.

Funds designated for Professional Services refers to payment to the Kaizen Institute per the Memorandum of Understanding for their participation in offering the program.

**ATTACHMENTS**

Attachment 1 – Program Proposal

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**STAFF COMMENTS AND RECOMMENDATIONS**

Boise State University (BSU) proposes to create a new Executive Master of Business Operational Excellence as a self-support model consistent with Board Policy V.R.3.b. The proposed program is not designed to satisfy the requirements of any specific job openings, but rather is designed to serve executives already in place. BSU projects a cohort enrollment between 30 and 45 students. The budget model requires a minimum of 30 students for the program to be viable and BSU will cap the program at 45 students to maintain quality for enrolled students.

Pursuant to III.Z, no institution has the Statewide Program Responsibility for Business Administration. Boise State University, Idaho State University, and the University of Idaho each offer a Master of Business Administration program. Those programs do not have the focus on operational excellence offered by the proposed program. The University of Idaho also offers an Executive Master of Business Administration.

Institution	Region	Branch Campus	Location	Program	Degree
NIC	1	NIC Campus	Coeur D'Alene	Business Administration	AS, AA
LCSC	1	LCSC Campus	Coeur D'Alene	Business Administration	BA, BS
LCSC	2	LCSC Campus	Lewiston	Business Administration	AS, BA, BS
UI	2	UI Campus	Moscow	Business Administration (Executive)	EMBA
BSU	3	BSU Campus	Boise	Business Administration	MBA
BSU	3	BSU Campus	Boise	Business Administration (Executive)	EMBA
ISU	5	ISU Campus	Pocatello	Business Admin. (Accounting Emph.)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Admin. (CIS Emph.)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Admin. (Finance Emph.)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Admin. (HCA Emphasis)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Admin. (Management Emph.)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Admin. (Marketing Emph.)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Admin. (Native American Bus. Emph.)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Admin. (Operations Mgmt. Emph.)	MBA Emph.
ISU	5	ISU Campus	Pocatello	Business Administration	PB Cert, MBA
ISU	6	University Place	Idaho Falls	Business Administration	MBA

BSU's request to offer a new Executive Master of Business Operational Excellence is consistent with their proposed Five-Year Plan for Delivery of Academic Programs in the Southwest Region. Board staff and CAAP recommend approval as presented.

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**BOARD ACTION**

I move to approve the request by Boise State University to offer an Executive Master of Business Operational Excellence as a self-support program.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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PROVOST - OFFICE

# Idaho State Board of Education

## Proposal for Graduate and Doctoral Degree Program

Date of Proposal Submission:	15 May 2012
Institution Submitting Proposal:	Boise State University
Name of College, School, or Division:	College of Business and Economics
Name of Department(s) or Area(s):	College-wide

**Program Identification for Proposed New, Modified, or Discontinued Program:**

Title:	Executive Master of Business Operational Excellence	
Degree:	Master of Business Operational Excellence	
Method of Delivery:	Face to face	
CIP code (consult IR /Registrar)	52.0299; Business Administration, Management and Operations, Other	
Proposed Starting Date:	Spring 2013	
Indicate if the program is:	<input checked="" type="checkbox"/> <b>Regional Responsibility</b>	<input type="checkbox"/> <b>Statewide Responsibility</b>

**Indicate whether this request is either of the following:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> New Graduate Program | <input type="checkbox"/> Contract Program/Collaborative                           |
| <input type="checkbox"/> New Doctoral Program            | <input type="checkbox"/> Expansion of an Existing Graduate/Doctoral Program       |
| <input type="checkbox"/> New Off-Campus Graduate Program | <input type="checkbox"/> Consolidation of an Existing Graduate/Doctoral Program   |
| <input type="checkbox"/> New Off-Campus Doctoral Program | <input type="checkbox"/> Discontinuation of an existing Graduate/Doctoral Program |

College Dean (Institution)

Date

Vice President for Research (as applicable)

Date

Graduate Dean (as applicable)

Academic Affairs Program Manager

Date

Chief Fiscal Officer (Institution)

Date

Chief Academic Officer, OSBE

Date

Chief Academic Officer (Institution)

Date

SBOE/OSBE Approval

Date

President

Date

**Before completing this form, refer to Board Policy Section III.G., Program Approval and Discontinuance.** This proposal form must be completed for the creation of each new program and each program discontinuance. All questions must be answered.

- 1. Describe the nature of the request.** Will this program be related or tied to other programs on campus? Please identify any existing program, option that this program will replace. *If this is request to discontinue an existing program, provide the rationale for the discontinuance. Indicate the year and semester in which the last cohort of students was admitted and the final term the college will offer the program. Describe the teach-out plans for continuing students.*

The College of Business and Economics at Boise State University proposes creation of a self-support, face-to-face executive-style program that will lead to a Master of Business Operational Excellence (MBOE) degree. The curriculum is designed for individuals currently working in mid-management positions who have been charged with creating operational excellence throughout their organization. "Lean operations" is an important component of their task, but the program also provides instruction in strategic planning and change management.

The proposed program includes what we believe to be a unique partnership between a state university and a private organization. The Kaizen Institute (World Headquarters: Zurich, Switzerland; USA Headquarters: Seattle, Washington) has agreed to partner with us in creating and offering the proposed program. The Kaizen Institute is a well-known world-wide consulting expert in the area of lean operations. Their role will be to provide a "real-world" perspective in the classroom and to help recruit students from across the globe. These two functions are critical to the success of the program because the market niche is quite specialized and southwestern Idaho does not have enough potential students to ensure success of the program. In addition, the classroom experience of students will be enriched substantially by the inclusion of students with diverse experiences. This partnership is described fully in a separate contract document (see attached).

The program will be self-supporting, and no state appropriated funds will be used. Program revenues cover administrative, instructional, and operating costs (see attached).

- 2. List the objectives of the program.** The objectives should address specific needs the program will meet. They should also identify the expected student learning outcomes and achievements. *This question is not applicable to requests for discontinuance.*

The primary objective is to develop organizational leaders who can create and execute a business process improvement strategy.

At program completion, graduates should be able to:

- Use Six Sigma and Lean tools and methodologies.
- Analyze processes and implement improvements.
- Lead large, complex cross-functional projects.
- Actively coach and mentor others involved in lean transformation.
- Understand and use best practices for implementing change within an organization.
- Effectively communicate with leadership and frontline personnel.
- Create and implement a strategic process improvement plan.

- 3. Briefly describe how the institution will ensure the quality of the program** (i.e., program review). Will the program require specialized accreditation (it is not necessary to address regional accreditation)? If so, please identify the agency and explain why you do or do not plan to seek accreditation. *This question is not*

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*applicable to requests for discontinuance.*

The following measures will ensure the high quality of the proposed emphases:

Regional Institutional Accreditation: Boise State University is regionally accredited by the Northwest Commission on Colleges and Universities (NWCCU). Regional accreditation of the university has been continuous since initial accreditation was conferred in 1941. Boise State University is currently accredited at all degree levels (A, B, M, D).

Program Review: Internal program evaluations will take place every five years as part of the normal departmental review process conducted by the Office of the Provost. This process requires a detailed self study (including outcome assessments) and a comprehensive review and site visit by external evaluators.

Specialized Accreditation: Our College of Business and Economics is accredited by AACSB International. This program is subject to that accreditation.

Graduate College: The program will adhere to all policies and procedures of the Graduate College, which is assigned broad institutional oversight of all graduate degree and certificate programs.

- 4. List new courses that will be added to your curriculum specific for this program.** Indicate number, title, and credit hour value for each course. Please include course descriptions for new and/or changes to courses. *This question is not applicable to requests for discontinuance.*

1. MBOE 501 DNA OF EXCELLENCE (3 credits)
2. MBOE 502 STATISTICAL THINKING (3)
3. MBOE 511 FINANCIAL MEASUREMENT (3)
4. MBOE 512 DESIGN & STRUCTURE OF PROCESSES, PRODUCTS, AND SERVICES (3)
5. MBOE 521 IMPROVEMENT TOOLS AND SKILLS (3)
6. MBOE 522 CRITICAL COMPONENTS OF CHANGE MANAGEMENT (3)
7. MBOE 531 STUDY MISSION AND DIAGNOSTIC PRACTICE (6)
8. MBOE 541 UNDERSTANDING AND MANAGING THE ENTIRE VALUE STREAM (3)
9. MBOE 542 CAPSTONE: CHANGE MANAGEMENT AS A STRATEGIC INITIATIVE (3)

- 5. Please provide the program completion requirements to include the following and attach a typical curriculum to this proposal as Appendix A.** *For discontinuation requests, will courses continue to be taught?*

Credit hours required:	30
Credit hours required in support courses:	0
Credit hours in required electives:	0
Credit hours for thesis or dissertation:	0
<b>Total credit hours required for completion:</b>	<b>30</b>

- 6. Describe additional requirements such as preliminary qualifying examination, comprehensive examination, thesis, dissertation, practicum or internship, some of which may carry credit hours included in the list above.** *This question is not applicable to requests for discontinuance.*

None. The culminating experience of the program is contained within the capstone course listed above

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(MBOE 542).

**7. Identify similar programs offered within Idaho or in the region by other colleges/universities.** *If the proposed request is similar to another state program, provide a rationale for the duplication.*

No programs of this specific type are offered within the state of Idaho or in the region. The Ohio State University is the only USA competitor and their program is available only in Columbus, Ohio.

Boise State University, Idaho State University, and the University of Idaho each offer Master of Business Administration programs. Those programs do not have the focus on operational excellence offered by the proposed program.

**Degrees/Certificates offered by school/college or program(s) within disciplinary area under review**

<b>Institution and Degree name</b>	<b>Level</b>	<b>Specializations within the discipline (to reflect a national perspective)</b>	<b>Specializations offered within the degree at the institution</b>
<b>BSU</b>			
Master of Business Administration	Master's	Offered as a broad based degree covering all aspects of business	Offered as a broad based degree covering all aspects of business
Executive Master of Business Administration	Master's	Offered as a broad based degree covering all aspects of business	Offered as a broad based degree covering all aspects of business
Masters of Business Operational Excellence (proposed)	Master's	Operational excellence	Operational excellence
<b>CSI</b>	N/A	N/A	N/A
<b>CWI</b>	N/A	N/A	N/A
<b>EITC</b>	N/A	N/A	N/A
<b>ISU</b>			
Master of Business Administration	Master's	Offered as a broad based degree covering all aspects of business, includes a focus area on operations management	Offered as a broad based degree covering all aspects of business
<b>LCSC</b>	N/A	N/A	N/A
<b>NIC</b>	N/A	N/A	N/A
<b>UI</b>			
Executive Master of Business Administration	Master's	Offered as a broad based degree covering all aspects of business	Offered as a broad based degree covering all aspects of business

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- 8. Describe the methodology for determining enrollment projections.** If a survey of student interest was conducted, attach a copy of the survey instrument with a summary of results as **Appendix B**. *This question is not applicable to requests for discontinuance.*

Our budget model requires a minimum of 30 students for the program to be viable. We will cap the program at 45 students so as to maintain quality for enrolled students. Therefore we project that our cohort enrollments will be between 30 and 45 students.

To ensure that we have sufficient enrollment for the program to be viable, we conducted the following estimation of market potential.

We predict that most, if not all, students who enroll in the program will be sponsored by their employer. Our experience with similar programs suggests companies with less than about \$25,000,000 in annual revenues rarely sponsor an employee to attend a program such as the one proposed herein. The US Census provides data on the number of companies with \$1M, \$10M, \$50M+ in annual revenues and we have chosen the conservative \$50M+ revenue cut off point for our estimation of market potential. According to the US Census Bureau, in 2008 (the latest published data), 34,000 United States corporations had revenues of \$50,000,000 or more. We could find no similar data for privately held organizations, so our estimate of 34,000 companies as the US market potential is very conservative. Assuming each company might send only one person to a program such as this, we estimate a US market potential of 34,000 students. Our program has the potential to draw globally, so the actual market potential would be substantially greater than 34,000 students from businesses. Note that employees of businesses are only one of the target market segments for this program. Persons working in education or for the government are also prime candidates for this program.

An organization wishing to send an executive to a program such as ours has very few options, with similar degree programs offered only by The Ohio State University in the United States and Cardiff University in Wales.

According to Hoover's D&B 2010 database, Idaho is home to 120 companies with annual revenues greater than \$50,000,000. Thus we conservatively estimate that there are 120 potential students for our program in Idaho. Again, that estimate does not include potential students in governmental or educational institutions and it makes the very conservative assumption of only one participant from each company.

- 9. Enrollment and Graduates.** Using the chart below, provide a realistic estimate of enrollment at the time of program implementation and over three year period based on availability of students meeting the criteria referenced above. Include part-time and full-time (i.e., number of majors or other relevant data) by institution for the proposed program, last three years beginning with the current year and the previous two years. Also, indicate the projected number of graduates and graduation rates.

Institution	Relevant Enrollment Data			Number of Graduates			Graduate Rate
	Current	Year 1 Previous	Year 2 Previous	Current	Year 1 Previous	Year 2 Previous	
<b>BSU</b>	(F 2009)	(F 2010)	(F 2011)	(2008-09)	(2009-10)	(2010-11)	
Master of Business Administration	126	116	125	47	36	47	~45 grads/yr
Executive Master of Business Administration	34	48	49	0	16	17	~17 grads/yr
Masters of Business Operational Excellence (proposed)			Projected enrollment at any one time: 30 in each cohort; 2 cohorts =60 at any one time			Projected number of graduates per year: 30	Projected: ~30 grads/yr
CSI	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CWI	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EITC	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ISU							
Master of Business Administration	140	122	123	Not available	47	39	~45 grads/yr
LCSC	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NIC	N/A	N/A	N/A	N/A	N/A	N/A	N/A
UI							
Executive Master of Business Administration	25	16	21	9	9	13	~12 grads/yr

**10. Will this program reduce enrollments in other programs at your institution?** If so, please explain.

No. The proposed program will serve a different audience than our existing MBA and EMBA

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programs. Our MBA program serves mainly local students who are early in their careers and those who wish to create career options. Our EMBA program serves mainly local students who are much later in their careers who wish to broaden their understanding of business so they might ascend to the highest general management positions in their organizations. The proposed MBOE program will serve both local and nonlocal students with several years of experience specifically in the area of lean operations who wish to assume a managerial role for lean initiatives within their organization.

**11. Provide verification of state workforce needs such as job titles requiring this degree.** Include State and National Department of Labor research on employment potential.

Using the chart below, indicate the total projected job openings (including growth and replacement demands in your regional area, the state, and nation. Job openings should represent positions which require graduation from a program such as the one proposed. Data should be derived from a source that can be validated and must be no more than two years old. *This question is not applicable to requests for discontinuance.*

The proposed degree is not a requirement for job openings, but rather a career enhancement for those already in managerial positions.

	Year 1	Year 2	Year 3
<b>Local (Regional)</b>	N/A	N/A	N/A
<b>State</b>	N/A	N/A	N/A
<b>Nation</b>	N/A	N/A	N/A

- a. Describe the methodology used to determine the projected job openings. If a survey of employment needs was used, please attach a copy of the survey instrument with a summary of results as **Appendix C**.

The proposed program is not designed to satisfy the requirements of job openings, but rather is designed to serve executives already in place.

Section 8 above describes the method used to estimate a market potential of 34,000 students.

- b. Describe how the proposed change will act to stimulate the state economy by advancing the field, providing research results, etc.

This program will help any participating Idaho organizations by streamlining their operations and saving significant costs. Lower cost structures will make those organizations more competitive on a global basis. The Idaho economy will also benefit from an inflow of tuition and travel dollars spent by participants from out of state.

- c. Is the program primarily intended to meet needs other than employment needs, if so, please provide a brief rationale.

As stated above, the proposed program is not designed to satisfy the requirements of job openings, but rather is designed to serve executives already in place.

**12. Will any type of distance education technology be utilized in the delivery of the program on your main campus or to remote sites? Please describe.** *This question is not applicable to requests for*

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*discontinuance.*

No

**13. Describe how this request is consistent with the State Board of Education's strategic plan and institution's role and mission.** *This question is not applicable to requests for discontinuance.*

The proposed program is consistent with the Mission and Core Themes of Boise State University, as shown by the bolding in the following.

*Mission:*

*Boise State University is a public, metropolitan, research university **offering an array of undergraduate and graduate degrees and experiences** that foster student success, **lifelong learning**, community engagement, innovation and creativity. Research and creative activity advance new knowledge and benefit students, the community, the state and the nation. As an integral part of its metropolitan environment the university is engaged in professional and continuing education programming, policy issues, and **promoting the region's economic vitality** and cultural enrichment.*

*Core Theme Two: **Graduate Education.** Our university provides access to graduate education that is relevant to the educational and societal needs of the community and state, is meaningful with national and global contexts, is respected for its high quality, and is delivered within a supportive graduate culture.*

The proposed program contributes to a number of aspects of the strategic plan of the Idaho State Board of Education.

GOAL 1: A Well educated citizenry

Objective A: Access :

*[Increases access of Idaho citizens to valuable training in business management.]*

Objective B: Higher Level of Educational Attainment:

*[Provides an additional avenue for advanced higher educational attainment.]*

GOAL 2: Critical Thinking and Innovation

Objective B: Innovation and Creativity:

*[Provides graduates who will help to transform Idaho businesses and other organizations to be more efficient and effective.]*

GOAL 3: Effective and Efficient Delivery Systems:

Objective A: Cost Effective and Fiscally Prudent:

*[to the extent to which individuals from Idaho's educational institutions participate, the program will provide those individuals the means with which to create more effective and efficient delivery systems.]*

**14. Describe how this request fits with the institution's vision and/or strategic plan.** *This question is not applicable to requests for discontinuance.*

Goals of Institution Strategic Mission	Proposed Program Plans to Achieve the Goal
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<u>Goal 1:</u> Create a signature, high quality educational experience for all students.	Our program will be one of three globally and will therefore become part of our trademark. Quality will be ensured by creating the program in partnership with an industry leader.
<u>Goal 4:</u> Align university programs and activities with community needs.	Our program will serve Idaho businesses, NGOs, governmental agencies, and educational institutions, and will help each of them become more effective, more efficient, and more competitive.
<u>Goal 5:</u> Transform our operations to serve the contemporary mission of the university.	Our own participation in the program will help to inform our transformation to a more effective and efficient organization.

- 15. Is the proposed program in your institution's Five-Year plan? Indicate below.** *This question is not applicable to requests for discontinuance.*

Yes   x   No       

If not on your institution's Five-Year plan, provide a justification for adding the program.

- 16.** Explain how students are going to learn about this program and where students are going to be recruited from (i.e., within institution, out-of-state, internationally). *For requests to discontinue a program, how will continuing students be advised of impending changes and consulted about options or alternatives for attaining their educational goals?*

Potential full-time students will hear about the opportunity through participation in Lean Manufacturing conferences with our partner, the Kaizen Institute. Potential students will obtain additional information from our website and we will have a staff member available to answer questions. Our partner, the Kaizen Institute, is also charged with promoting the program to many of their world-wide clients.

- 17.** In accordance with Board Policy III.G., an external peer review is required for any new doctoral program. Attach the peer review report as **Appendix D**.

N/A

- 18. Program Resource Requirements.** Using the **Excel spreadsheet** provided by the Office of the State Board of Education indicate all resources needed including the planned FTE enrollment, projected revenues, and estimated expenditures for the first three fiscal years of the program. Include reallocation of existing personnel and resources and anticipated or requested new resources. Second and third year estimates should be in constant dollars. Amounts should reconcile budget explanations below. If the program is contract related, explain the fiscal sources and the year-to-year commitment from the contracting agency(ies) or party(ies). Provide an explanation of the fiscal impact of the proposed discontinuance to include impacts to faculty (i.e., salary savings, re-assignments).

I. Planned Student Enrollment											
(FTE calculated as 1 FTE = 12 credit hours for graduate programs)											
	FY 12		FY 13		FY 14		FY 15		Cumulative Totals		
	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	
A. New Enrollments	0	0	37.5	30	37.5	30	37.5	30	113	90	
B. Shifting Enrollments	0	0	0	0	0	0	0	0	-	-	

Note: Student FTE is higher than headcount because of the rapid pace of the program. Students will complete a total of 30 credits during one calendar year. Given that a graduate student FTE is typically defined as 12 credit hours per semester (24 credit hours per year); thus a headcount of 30 students yields 37.5 FTE.

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# ATTACHMENT 1

	FY 12		FY 13		FY 14		FY 15		Cumulative Totals	
II. Expenditures	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost
<b>A. Personnel Costs</b>										
1. Faculty	overload	\$ -	overload	\$ 71,000	overload	\$ 128,500	overload	\$ 128,500	overload	\$328,000
2. Administrators	0.25	\$17,625	1.88	\$121,250	2.00	\$ 136,000	2.00	\$140,000	6	\$414,875
3. Adjunct Faculty	N/A	\$0	N/A	\$10,000	N/A	\$ 20,000	N/A	\$20,000	N/A	\$50,000
4. Instructional Assistants	0	\$0	1.00	\$18,000	1.50	\$ 28,000	1.50	\$28,000	4	\$74,000
5. Research Personnel		0		\$ -		\$ -		\$ -	-	\$0
6. Support Personnel	0	\$0	0.10	\$4,000	0.20	\$ 8,000	0.20	\$8,000	1	\$20,000
7. Fringe Benefits		\$4,406		\$52,063		\$ 73,325		\$74,325	-	\$204,119
8. Other		0		\$ -		\$ -		\$ -	-	\$0
<b>TOTAL Personnel Costs</b>	0.25	\$ 22,031	2.98	\$ 276,313	3.7	\$ 393,825	3.7	\$ 398,825	11	\$1,090,994
<b>B. Operating Expenses</b>									Cumulative Totals	
1. Travel		\$6,000		\$18,000		\$ 16,000		\$16,000		\$56,000
2. Professional Services		0		\$250,000		\$ 490,000		\$490,000		\$1,230,000
3. Other Services										\$0
4. Communications		\$8,400		\$26,200		\$ 50,800		\$50,800		\$136,200
5. Utilities										\$0
6. Materials and Supplies		\$0		\$32,400		\$ 63,300		\$63,300		\$159,000
7. Rentals		0		0		0		0		\$0
8. Repairs and Maintenance		\$0		\$2,100		\$2,800		\$2,800		\$7,700
9. Materials and Goods for manufacture and		\$0		\$0		\$0		\$0		\$0
10. Miscellaneous		\$2,000		\$5,900		\$6,200		\$6,200		\$20,300
<b>TOTAL OPERATING EXPENSES</b>		\$16,400		\$334,600		\$ 629,100		\$629,100		\$1,609,200
<b>C. Capital Outlay</b>									Cumulative Totals	
1. Library resources		0		0		0		0		\$0
2. Equipment		0		0		0		0		\$0
<b>TOTAL Capital Outlay</b>		0		0		0		0		\$0
<b>D. Physical Facilities Construction</b>		0		0		0		0		\$0
<b>E. Indirect Costs</b>										\$0
University Admin fee: 6% of expenses		\$2,306		\$36,655		\$61,376		\$61,676		\$162,012
<b>Grand Total Expenditures</b>		<b>\$ 40,737</b>		<b>\$ 647,567</b>		<b>\$ 1,084,301</b>		<b>\$ 1,089,601</b>		<b>\$2,862,205</b>

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III. REVENUES											
Fiscal Impact		FY 12		FY 13		FY 14		FY 15		Cumulative Totals	
A. Expenditures		recurring	non-recurring	recurring	non-recurring	recurring	non-recurring	recurring	non-recurring	recurring	non-recurring
1. Personnel			\$22,031		\$276,313		\$393,825		\$398,825	\$0	\$1,090,994
2. Operating			\$16,400		\$334,600		\$629,100		\$629,100	\$0	\$1,609,200
3. Equipment			\$0		\$0		\$0		\$0	\$0	\$0
4. Facilities			\$0		\$0		\$0		\$0	\$0	\$0
5. Overhead			\$2,306		\$36,655		\$61,376		\$61,676	\$0	\$162,012
<b>TOTAL EXPENDITURES</b>		<b>\$0</b>	<b>\$40,737</b>	<b>\$0</b>	<b>\$647,567</b>	<b>\$0</b>	<b>\$1,084,301</b>	<b>\$0</b>	<b>\$1,089,601</b>	<b>\$0</b>	<b>\$2,862,205</b>
B. Source of Funds		recurring	non-recurring	recurring	non-recurring	recurring	non-recurring	recurring	non-recurring	recurring	non-recurring
1. Appropriated-Reallocation										\$0	\$0
2. Appropriated new										\$0	\$0
3. Federal										\$0	\$0
4. Tuition										\$0	\$0
5. Student Fees			\$0		\$804,600		\$1,341,000		\$1,341,000	\$0	\$3,486,600
6. Other (Local Account)			\$40,737							\$0	\$40,737
<b>TOTAL sources</b>		<b>\$0</b>	<b>\$40,737</b>	<b>\$0</b>	<b>\$804,600</b>	<b>\$0</b>	<b>\$1,341,000</b>	<b>\$0</b>	<b>\$1,341,000</b>	<b>\$0</b>	<b>\$3,527,337</b>

## Budget Notes:

II.A.1. All faculty members will be teaching courses for this program on overload. Therefore, no portion of their regular salary will be devoted to the proposed program, and no FTE numbers are listed in the above tables.

II.A.3. Adjunct faculty members are hired on a piece-work basis, therefore FTE is an inappropriate measure.

II.B.2. Professional Services refers to funds paid to the Kaizen Institute as per contract for their participation in offering the program.

III.B.5. This is a self support program. Each student will be charged \$44,700 for the four-quarter program.

III.B.6. Initial startup costs of the program will be funded via a college local account.

***Because no funding of this program will be part of the base of any appropriated budget, all expenses and all revenues are denoted as "non-recurring".***

## a. Personnel Costs

## Faculty and Staff Expenditures

Project for the first three years of the program the credit hours to be generated by each faculty member (full-time and part-time), graduate assistant, and other instructional personnel. Also indicate salaries. After total student credit hours, convert to an FTE student basis. Please provide totals for each of the three years presented. Salaries and FTE students should reflect amounts shown on budget schedule.

Name, Position & Rank	Annual Salary Rate	FTE Assignment to this Program	Projected Student Credit Hours	FTE Students
Fry, Phil; Professor	\$105,851	0 (all overload)	FY13: 108 SCH FY14: 180 SCH FY16: 180 SCH	FY13: 9 FTE FY14: 15FTE FY16: 15FTE
Gattiker, Tom; Associate Professor	\$115,503	0 (all overload)	FY13: 108 SCH FY14: 180 SCH FY16: 180 SCH	FY13: 9 FTE FY14: 15FTE FY16: 15FTE
Kroes, Jim; Assistant Professor	\$105,020	0 (all overload)	FY13: 108 SCH FY14: 180 SCH FY16: 180 SCH	FY13: 9 FTE FY14: 15FTE FY16: 15FTE
Shannon, Pat; Professor	\$178,007	0 (all overload)	FY13: 108 SCH FY14: 180 SCH FY16: 180 SCH	FY13: 9 FTE FY14: 15FTE FY16: 15FTE
Street, Jeff; Professor	ISU Prof, salary NA	0 (all overload)	FY13: 54 SCH FY14: 90 SCH FY16: 90 SCH	FY13: 4.5 FTE FY14: 7.5FTE FY16: 7.5FTE
Terpend, Regis; Assistant Professor	\$98,634	0 (all overload)	FY13: 54 SCH FY14: 90 SCH FY16: 90 SCH	FY13: 4.5 FTE FY14: 7.5FTE FY16: 7.5FTE

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Project the need and cost for support personnel and any other personnel expenditures for the first three years of the program.

We estimate the need for 0.2 FTE of support staff and 1.0 FTE of graduate assistants.

### Administrative Expenditures

Describe the proposed administrative structure necessary to ensure program success and the cost of that support. Include a statement concerning the involvement of other departments, colleges, or other institutions and the estimated cost of their involvement in the proposed program

Name, Position & Rank	Annual Salary Rate	FTE Assignment to this Program	Value of FTE Effort to this Program
Director	\$88,000	1.00	\$88,000
Assistant Director	\$48,000	1.00	\$48,000

The Director and Associate Director will be responsible for:

- Student recruiting and admission processes
- External relations with alumni and the business community
- Strategic planning and execution including budget development and management
- Program operations across all university functions
- Ensuring student success by tracking progress, providing advising, and assisting with financial aid

### b. Operating Expenditures

Briefly explain the need and cost for operating expenditures (travel, professional services, etc.)

This program is self-supporting and is offered to executives. We provide books & materials, provide participant meals during class meetings, and in general provide a very high level of service to our students.

### c. Capital Outlay

#### (1) Library resources

- Evaluate library resources, including personnel and space. Are they adequate for the operation of the present program? If not, explain the action necessary to ensure program success.

This professional degree program should not require library usage because all content materials will be supplied to the students.

- Indicate the costs for the proposed program including personnel, space, equipment, monographs, journals, and materials required for the program.

None.

- For off-campus programs, clearly indicate how the library resources are to be provided.

Students meet on campus.

#### (2) Equipment/Instruments

Describe the need for any laboratory instruments, computer(s), or other equipment. List equipment, which is presently available and any equipment (and cost) which must be obtained to support the proposed program.

No special equipment is required.

### d. Revenue Sources

- If funding is to come from the reallocation of existing state appropriated funds, please indicate the sources of the reallocation. What impact will the reallocation of funds in support of the program have on

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other programs?

No state appropriated funds are reallocated to this program.

- (2) If the funding is to come from other sources such as a donation, indicate the sources of other funding. What are the institution's plans for sustaining the program when funding ends?

N/A.

- (3) If an above Maintenance of Current Operations (MCO) appropriation is required to fund the program, indicate when the institution plans to include the program in the legislative budget request.

N/A

- (4) Describe the federal grant, other grant(s), special fee arrangements, or contract(s) to fund the program. What does the institution propose to do with the program upon termination of those funds?

N/A

- (5) Provide estimated fees for any proposed professional or self-support program.

We propose a fee of \$44,700/student for the entire 12 month program, all-inclusive except for travel costs.

Attachment A: Courses and curriculum  
Attachment B: Detail of Budget  
Attachment C: Contract

## Courses and Curriculum for Boise State University's proposed Executive Masters of Business Operational Excellence.

### Courses:

- A. MBOE 501 DNA OF EXCELLENCE (3 credits)(S).** Examines the need to continuously challenge existing processes and drive them to higher levels of performance. Introduces fundamental tools used for project selection including Hoshin planning, the voice of the customer, and value stream mapping. Includes an introduction to the Toyota Production System (TPS). PREREQ: ADM/PROG
- B. MBOE 502 STATISTICAL THINKING (3 credits)(S).** Provides an overview of statistics and probability, including quantitative analysis and data collection, with a special emphasis on understanding and eliminating variation. Introduces Six Sigma philosophy and tools. Students apply concepts to work projects. PREREQ: ADM/PROG
- C. MBOE 511 FINANCIAL MEASUREMENT (3 credits)(S).** Examines the selection and measurement of financial outcomes for lean organizations. A user's perspective emphasizes organizational management and control via financial measurement choices made. Students apply concepts to work projects. PREREQ: ADM/PROG
- D. MBOE 512 DESIGN AND STRUCTURE OF PROCESSES, PRODUCTS, AND SERVICES (3 credits)(S).** Emphasizes that all work is a process and that flexibility and creativity are critical to achieving optimal work flow within an organization. Introduces various tools to help align process components into a lean organization. Students apply concepts to work projects. PREREQ: ADM/PROG
- E. MBOE 521 IMPROVEMENT TOOLS AND SKILLS (3 credits) (SU).** Provides the knowledge and diagnostic tools required to identify and understand cause-and-effect relationships. Lean, Six Sigma, and related concepts are introduced and reinforced with value stream simulations. Connects these concepts with the successful deployment of the Plan-Do-Check-Act cycle. Students apply concepts to work projects. PREREQ: ADM/PROG
- F. MBOE 522 CRITICAL COMPONENTS OF CHANGE MANAGEMENT (3 credits)(SU).** Explores leadership styles, including the leader's role of change agent, with emphasis on training, coaching, team building and empowerment. Focuses on gaining commitment to change while overcoming complacency and resistance. Covers the successful deployment of standard work, project management, communication, knowledge management, and planning. Students apply concepts to work projects. PREREQ: ADM/PROG
- G. MBOE 531 STUDY MISSION AND DIAGNOSTIC PRACTICE (6 credits)(F).** Provides on-site opportunity to benchmark world class organizations. Observation of operational excellence concepts in the field including the role leaders play and the interaction of all stakeholders: customers, suppliers, employees, and owners. Emphasis the deployment of diagnostic tools in these organizations. Opportunities provided to practice these tools in real life simulations. Requires a passport and travel outside of the United States. PREREQ: ADM/PROG

**H. MBOE 541 CHANGE MANAGEMENT AS A STRATEGIC INITIATIVE (3 credits)(S).** Focuses on understanding the voice of the customer and the role of all stakeholders in developing a culture of excellence. Provides techniques to design and align an organization's mission, vision, values, policies, processes, procedures and behaviors into a strategic initiative of operational excellence. Includes leveraging creativity, flexibility, and innovation to nurture the growth of people, products, and processes, in an environmentally responsible way. Students apply concepts to work projects. PREREQ: ADM/PROG

**I. MBOE 542 UNDERSTANDING AND MANAGING THE ENTIRE VALUE STREAM (3 credits)(S).** Reviews efforts to lead internal operational excellence efforts and then expands those concepts to include interactions with external organizations, with special emphasis on suppliers. Emphasis on aligning philosophies and the flow of information and materials needed to meet or exceed customer expectations. Students apply concepts to work projects. PREREQ: ADM/PROG

Curriculum:

Master of Business Operational Excellence	
Course Number, Title, and Credits	
MBOE 501 DNA of Excellence .....	3
MBOE 502 Statistical Thinking .....	3
MBOE 511 Financial Measurement.....	3
MBOE 512 Design and Structure of Processes, Products, and Services .....	3
MBOE 521 Improvement Tools and Skills .....	3
MBOE 522 Critical Components of Change Management.....	3
MBOE 531 Study Mission and Diagnostic Practice .....	6
MBOE 541 Change Management as a Strategic Initiative .....	3
MBOE 542 Understanding and managing the Entire Value Stream .....	3
<b>Total .....</b>	<b>30</b>

# ATTACHMENT 1

		Detailed Budget Model				Updated as of 15May 2012			
		Faculty pay per week	\$ 12,000	Total tuition & Fees		\$44,700		#Students	30
		# Faculty to Tokyo	2	Kaizen front pay for trip per student or faculty		\$ 5,000	per studen	Kaizen final pay for trip	\$3,000
				FY2012		FY2013		FY2014	FY2015
				Total		year total		year total	year total
		Cohort 1 # students				30		0	
		Credits per student							
		Total Credits				540		360	
		FTE				45		30	
		Cohort 2 # students						30	0
		Credits per student							
		Total Credits						540	360
		FTE						45	30
		Cohort 3 # students							30
		Credits per student							
		Total Credits							540
		FTE							45
		Total headcount				30		30	30
		Total credits				540		900	900
		total FTE				45		75	75
		income cohort 1				\$804,600		\$536,400	\$0
		income cohort 2				\$0		\$804,600	\$536,400
		income cohort 3				\$0		\$0	\$804,600
		Total Income		\$0		\$804,600		\$1,341,000	\$1,341,000
II. Expenditures									
				FY2012		FY2013		FY2014	FY2015
				Total		year total		year total	year total
A. Personnel Costs									
1. Faculty	FTE>>			FTE>>		FTE>>		FTE>>	
1st Cohort Instructors	OL			OL	\$ 26,500	OL	\$24,500	OL	
1st Cohort grading pay	OL			OL	\$ 17,500	OL	\$15,000	OL	
2nd Cohort Instructors	OL			OL	\$ -	OL	\$26,500	OL	\$24,500
2nd Cohort grading pay	OL			OL	\$ -	OL	\$17,500	OL	\$15,000
3rd Cohort Instructors	OL			OL		OL		OL	\$26,500
3rd Cohort grading pay	OL			OL		OL		OL	\$17,500
1st cohort project pay	OL			OL	\$ 27,000	OL	\$18,000	OL	
2nd cohort project pay	OL			OL	\$ -	OL	\$27,000	OL	\$18,000
3rd cohort project pay	OL			OL		OL		OL	\$27,000
TOTAL		\$ -		\$ 71,000		\$ 128,500		\$ 128,500	
All Instructors will be on Overload; hence 0.0 FTE each									
2. Administrators	FTE>>			FTE>>		FTE>>		FTE>>	
Director	0.25	\$17,625	0.88	\$75,250	1.0	\$88,000	1.0	\$90,000	
Ass't Director	0.0	\$0	1.0	\$46,000	1.0	\$48,000	1.0	\$50,000	
TOTAL	0.25	\$17,625	1.9	\$121,250	2.0	\$136,000	2	\$140,000	
3. Adjunct Faculty	FTE>>			FTE>>		FTE>>		FTE>>	
Visiting Professors	N/A	\$0	N/A	\$10,000	N/A	\$20,000	N/A	\$20,000	
TOTAL		\$0		\$10,000		\$20,000		\$20,000	

# ATTACHMENT 1

			FY2012		FY2013		FY2014		FY2015
	<b>4. Instructional Assistants</b>	FTE>>		FTE>>		FTE>>		FTE>>	
	Graduate Ass't	0	\$0	0.50	\$ 8,000	1.0	\$18,000	1.00	\$18,000
	Student Ass't		\$0	0.50	\$ 10,000	0.5	\$10,000	0.50	\$10,000
	<b>TOTAL</b>		<b>\$0</b>	<b>1.00</b>	<b>\$18,000</b>	<b>1.50</b>	<b>\$28,000</b>	<b>1.50</b>	<b>\$28,000</b>
	<b>5. Research Personnel</b>	FTE>>		FTE>>		FTE>>		FTE>>	
	<b>TOTAL</b>								
	<b>6. Support Personnel</b>	FTE>>		FTE>>		FTE>>		FTE>>	
	Staff		\$0	0.10	\$ 4,000	0.2	\$8,000	0.2	\$8,000
	<b>TOTAL</b>		<b>\$0</b>	<b>0.10</b>	<b>\$4,000</b>	<b>0.20</b>	<b>\$8,000</b>	<b>0.20</b>	<b>\$8,000</b>
	<b>7. Fringe Benefits</b>	rate							
	Faculty benefits	0.25	\$0		\$17,750		\$32,125		\$32,125
	Administrator benefits	0.25	\$4,406		\$30,313		\$34,000		\$35,000
	Adjunct benefits	0.10	\$0.00		\$1,000.00		\$2,000.00		\$2,000.00
	Instru Asst benefits	0.10	\$0.00		\$1,800.00		\$2,800.00		\$2,800.00
	Research personnel ben	0.30	0		0		0		0
	Support personnel bens	0.30	\$0.00		\$1,200.00		\$2,400.00		\$2,400.00
	<b>TOTAL FRINGE BENEFITS</b>		<b>\$4,406</b>		<b>\$52,063</b>		<b>\$73,325</b>		<b>\$74,325</b>
	<b>TOTAL Personnel Costs</b>		<b>\$ 22,031</b>		<b>\$ 276,313</b>		<b>\$ 393,825</b>		<b>\$ 398,825</b>
	<b>B. Operating Expenses</b>								
	<b>1. Travel</b>								
	Travel		\$6,000		\$ 18,000		\$16,000		\$16,000
	<b>Total Travel</b>		<b>\$6,000</b>		<b>\$18,000</b>		<b>\$16,000</b>		<b>\$16,000</b>
	<b>2. Professional Services</b>								
	Kaizen institute flat fee				\$100,000		\$250,000		\$250,000
	Kaizen Institute Tokyo trip				\$150,000		\$240,000		\$240,000
	<b>Total Professional Expenses</b>				<b>\$250,000</b>		<b>\$490,000</b>		<b>\$490,000</b>
	<b>4. Communications</b>								
	Promotion (recruitment)		\$8,000		\$ 25,000		\$50,000		\$50,000
	Postage & Mail		\$400		\$ 1,200		\$800		\$800
	<b>TOTAL Communications</b>		<b>\$8,400</b>		<b>\$26,200</b>		<b>\$50,800</b>		<b>\$50,800</b>



# ATTACHMENT 1

	6. Materials and Supplies		FY2012		FY2013		FY2014		FY2015
	Cohort 1 Food		\$0		\$ 18,900		\$18,900		
	Cohort 1 Ed supplies		\$0		\$ 13,500		\$12,000		
	Cohort 2 Food		\$0		\$ -		\$18,900		\$18,900
	Cohort 2 Ed supplies		\$0		\$ -		\$13,500		\$12,000
	Cohort 3 Food								\$18,900
	Cohort 3 Ed supplies								\$13,500
	<b>TOTAL Materials and Supplies</b>		<b>\$0</b>		<b>\$32,400</b>		<b>\$63,300</b>		<b>\$63,300</b>
	<b>8. Repairs and Maintenance</b>								
	Meeting Room Cleaning and Maint		\$0		\$ 2,100		\$2,800		\$2,800
	<b>TOTAL Repairs and Maintenance</b>		<b>\$0</b>		<b>\$2,100</b>		<b>\$2,800</b>		<b>\$2,800</b>
	<b>10. Miscellaneous</b>								
	Miscellaneous		\$1,000		\$ 2,000		\$2,000		\$2,000
	Office Expenses		\$1,000		\$ 3,000		\$3,000		\$3,000
	Parking		\$0		\$ 900		\$1,200		\$1,200
	<b>TOTAL Misc</b>		<b>\$2,000</b>		<b>\$5,900</b>		<b>\$6,200</b>		<b>\$6,200</b>
	<b>TOTAL OPERATING EXPENSES</b>		<b>\$16,400</b>		<b>\$334,600</b>		<b>\$629,100</b>		<b>\$629,100</b>
	<b>C. Capital Outlay</b>								
	<b>1. Library resources</b>								
	<b>2. Equipment</b>								
	<b>TOTAL CAPITAL OUTLAY</b>								
	<b>D. Physical facilities construction</b>								
	<b>TOTAL physical facilities construction</b>								
	<b>E. Indirect costs (overhead)</b>								
	<b>University Admin fee: 6% of expenses</b>		<b>\$2,306</b>		<b>\$36,654.75</b>		<b>\$61,375.50</b>		<b>\$61,675.50</b>
	(includes Kaizen \$\$)								
	<b>GRAND TOTAL EXPENDITURES</b>		<b>\$ 40,737</b>		<b>\$ 647,567</b>		<b>\$ 1,084,301</b>		<b>\$ 1,089,601</b>

**MEMORANDUM OF AGREEMENT BETWEEN  
BOISE STATE UNIVERSITY AND  
KAIZEN INSTITUTE USA**

THIS MEMORANDUM OF AGREEMENT ("Agreement") is entered into by and between Boise State University ("University") and Kaizen Institute Consulting Group USA ("Kaizen") on this 8th day of May, 2012.

WHEREAS, the University is a body corporate and politic of the State of Idaho and a state institution of higher education;

WHEREAS, Kaizen is a consulting and training organization dedicated to "Lean" education, reducing waste, creating measurable improvements, and developing individuals;

WHEREAS, both parties (the "Parties") desire to work together to create an Executive Master of Business Operational Excellence program (the "Program");

WHEREAS, in this joint working relationship between the Parties, University will be the managing entity and will have final decision-making authority with respect to the Program;

WHEREAS, both parties desire to set forth the terms and conditions of such relationship in this Agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties hereto agree as follows:

1. Required Approvals. The rights and obligations contemplated herein shall not inure to University or Kaizen unless and until approval of the Program and this Agreement is sought and received from the University's Office of the Vice President for Finance and Administration, the University's Office of the Provost and Vice President for Academic Affairs, and the Idaho State Board of Education.
2. Obligations of Both Parties.
  - a. *Program Creation.* Both Parties shall work together to develop the Program. Both Parties agree to work in good faith to establish a timeline for creation and commencement of the Program. The Program characteristics shall include the following:
    - i. Admission requirements. Students must have a minimum of five (5) years professional work experience. A bachelor's degree with a strong academic background shall also be required for admission.
    - ii. Length of program. Each offering of the Program shall be approximately twelve (12) months long, consisting of nine courses. The Program shall be project based. Students are to remain with the

same group of students throughout the duration of the Program offering.

iii. *Quarterly meetings.* Students will meet on University campus for a period of six consecutive days once per quarter.

iv. *Study Mission.* During the Program, the students will participate in a Study Mission to Japan.

b. *Marketing.* Both Parties shall work together to develop Program marketing materials. All marketing materials shall be subject to advance University approval in writing. Such approval may be sought via email at [licensing@boisestate.edu](mailto:licensing@boisestate.edu).

c. *Program Evaluation.* University shall evaluate the success of the program on an ongoing basis. Kaizen shall assist University in these evaluations.

### 3. University Obligations.

a. *Recruiting.* The University shall recruit between 5 and 10 students for each offering of the Program. In the event more than 45 total students are recruited and accepted into any one offering of the Program, the Parties shall discuss the possibility of adding a second cohort, subject to University approval. In the event either: (1) less than 20 students are enrolled into an offering of the Program at least 90 days prior to the first class of that same offering; or (2) less than 28 students are enrolled into an offering of the Program at least 60 days prior to the first class of that same offering, the University shall, in its sole discretion, determine whether to continue or to cancel the Program for that particular offering.

b. *Administration.* University shall make all student-admissions decisions with respect to the program, including, but not limited to screening, selecting, accepting, and registering students. All administration activities related to student-admissions shall also be the responsibility of the University.

c. *Instruction.* University shall provide members of University faculty to lead the course instruction.

d. *Materials.* University shall provide certain educational materials for the students, as needed.

e. *Facilities.* University shall provide classrooms for instruction, as needed.

f. *Meals.* University shall provide on-campus meals for the students.

- g. *Program Director.* University will appoint a University employee as the program director.
  - h. *Study Mission.* University shall be responsible for providing instructors to accompany the students on the Study Mission to Japan.
  - i. *Course Planning.* University shall have the primary role in the design, delivery, and support of each course offered by the Program, with Kaizen's assistance as requested. All curriculum development shall be the primary responsibility of the University.
  - j. *Issuance of Degree.* University shall be responsible for issuance of a Master's Degree to students following their completion of the Program.
4. Kaizen Obligations. Subject to University approval, Kaizen shall be responsible for the following:
- a. *Marketing.*
    - i. Creation of a worldwide marketing and promotion plan;
    - ii. Marketing, including, but not limited to, Kaizen's website, printed materials, social media, and attendance and participation at conferences with respect to the Program.
  - b. *Recruiting.* Kaizen shall recruit between 20 and 45 students for each offering of the Program. In the event more than 45 total students are recruited and accepted into any one offering of the Program, the Parties shall discuss the possibility of adding a second cohort, subject to University approval. In the event either: (1) less than 20 students are enrolled into an offering of the Program at least 90 days prior to the first class of that same offering; or (2) less than 28 students are enrolled into an offering of the Program at least 60 days prior to the first class of that same offering, the University shall, in its sole discretion, determine whether to continue or to cancel the Program for that particular offering.
  - c. *Compensation of Kaizen employees.* Kaizen understands that it is strictly prohibited from and agrees that it shall not make any incentive payments, including but not limited to, bonus payments, lump sum payments, in kind awards, commissions or other payments to its consultants or employees based on the number of applicants to the Program processed as a direct or indirect result of contact between the prospective student and that same consultant or employee. Kaizen shall certify its continued compliance with this requirement in writing upon request of University and shall be subject to

reasonable audit and inspection of necessary business records regarding this provision upon written notice by University.

- d. *Instruction.* Kaizen shall provide qualified instructors to co-teach each Program course at University's campus in concert with a University professor and to provide individual student project mentoring between course sessions.
- c. *Course Planning and Course Materials.* Kaizen shall assist University in the design, delivery, and support of courses offered by the Program and shall provide a one year subscription to its online Gemba Academy courses to each student enrolled in the Program and to each University professor involved in the instruction of the Program courses.

5. Term and Termination.

- a. *Term.* The Term of this Agreement shall be for a period of five (5) years, unless sooner terminated as set forth herein.
- b. *Termination for Default.* University may terminate this Agreement upon providing written notice of default or non-compliance to Kaizen and Kaizen has failed to cure the default or non-compliance within thirty (30) calendar days. University, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary, including, without limitation, offset of damages against payment due. Further, University shall have the right to complete any offering of the Program for which applicants have been accepted prior to termination for default or non-compliance.
- c. *Termination for Convenience.* Either party may terminate this Agreement for convenience upon ninety (90) days prior written notice. However, such termination shall not be effective until the conclusion of any offering of the Program for which applicants have been accepted prior to the delivery of such written notice and University will continue to utilize course materials, including Kaizen's online Gemba Academy courses until the conclusion of any offering of the Program for which applicants have been accepted prior to the delivery of such written notice.

- 6. Fees. University shall compensate Kaizen a flat fee of \$250,000.00 for each cohort of each offering of the Program actually held at University during the term of this Agreement, payable in five equal payments of \$50,000.00. Such payments shall be due on January 31, April 30, September 30, November 30 and December 31 of the year the cohort is actually offered. Should any cohort or offering of the Program be cancelled pursuant to paragraphs 3(a) and 4(b) above, no fees shall be owed to Kaizen for that same cohort or offering and any portion of fees for the canceled cohort previously paid to Kaizen shall be immediately refunded to University.

7. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Idaho. Any action to enforce the provisions of this Agreement shall be brought in state district court in Ada County, Boise, Idaho.
8. Severability. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.
9. Entire Agreement/Modification. This Agreement shall be binding upon the parties hereto and their respective successors and assigns. This Agreement constitutes the full, complete, and entire Agreement between University and Kaizen and supersedes all prior understandings, agreements, or arrangements between the parties with respect to the subject matter hereof. No modification or amendment to this Agreement shall be valid unless it is made in writing and signed by the authorized representatives of the Parties.
10. Anti-discrimination. Acceptance of this Agreement binds Kaizen to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964, in that "No person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." In addition, "No otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance" (Section 504 of the Rehabilitation Act of 1973). In the event federal funds are utilized, the applicable provisions and requirements of Executive Order 11246 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 701 of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), 29 USC Sections 621, et seq., the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, U.S. Department of Interior regulations at 43 CFR Part 17, and the Americans with Disabilities Action of 1990, are also incorporated into this Agreement. Kaizen shall comply with pertinent amendments to such laws made during the term of the Agreement and with all federal and state rules and regulations implementing such laws. Kaizen must include this provision in every subcontract relating to this Agreement.
11. Indemnification. Kaizen shall defend, indemnify, and hold harmless University from any and all liability, claims, damages, costs, expenses, and actions, including reasonable attorney fees, caused by or that arise from the negligent or wrongful acts or omissions of Kaizen, its employees, agents, or subcontractors under this Agreement that cause death or injury or damage to property or arising out of a failure to comply with any state or federal statute, law, regulation or act. Kaizen shall have no indemnification liability under this Section for death, injury, or damage arising solely out of the negligence or misconduct of University.

12. Compliance with Law. Kaizen shall comply with all requirements of federal, state, and local laws and regulations applicable to Kaizen or to the services provided by Kaizen pursuant to this Agreement, including, but not limited to, the Family Educational Rights and Privacy Act ("FERPA"). For the duration of this Agreement, Kaizen shall maintain in effect and have in its possession all licenses and certifications required by federal, state, and local laws and/or rules.
13. Non-competition. Neither party may start a competing Master of Business Operational Excellence Program during the Term of this Agreement.
14. University Marks. Kaizen understands and acknowledges that the University owns all rights in and to the University's name, logo(s), trade dress, colors, and other indicia ("Trademarks") and Kaizen is not granted any rights to such Trademarks other than as herein granted. Any use by Kaizen of Trademarks shall be approved by the University's Director of Trademark Licensing and Enforcement. Such approval may be sought via email at [licensing@boisestate.edu](mailto:licensing@boisestate.edu).
15. Kaizen Marks. University understands and acknowledges that Kaizen owns all rights in and to the terms KAIZEN, GEMBAKAIZEN, name, logo(s), trade dress, colors, and other indicia ("Trademarks") and the University is not granted any rights to such Trademarks other than as herein granted. Any use by the University of Trademarks shall be approved by Kaizen's officer. Such approval may be sought via email at [KICG@kaizen.com](mailto:KICG@kaizen.com).
16. Relationship between the Parties. The Parties understand and agree that each is an independent contractor engaged in the operation of its own respective business, that neither party shall be considered to be the agent, master, or servant of the other party for any purpose whatsoever and that neither has any general authority to enter into any contract, assume any obligations, or to make any warranties or representations on behalf of the other. The Parties shall be solely and personally liable for the costs of their own labor, taxes, insurance, required bonding and other expenses, except as specifically stated herein.
17. Subcontracting/Assignment. Kaizen shall not assign or subcontract any of its obligations under this Agreement without the advance written consent of University. Any unauthorized assignment shall be void. University shall have the right, but not the obligation, to terminate this Agreement without waiver of any other right or remedy, upon notice of Kaizen's assignment or subcontract in violation of this Section.
18. Force Majeure. Neither party shall be liable or deemed to be in default for any Force Majeure delay in performance occasioned by unforeseeable causes beyond the control and without the fault or negligence of the Parties, including, but not limited to, acts of God or the public enemy, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, or unusually severe weather, provided that in all cases Kaizen shall notify University promptly in writing of any cause of delay and University

concur that the delay was beyond the control and without the fault or negligence of Kaizen. The period for the performance shall be extended for a period equivalent to the period of the Force Majeure delay. Matters of Kaizen's finances shall not be a Force Majeure event.

19. Insurance Requirements. Kaizen shall, at its sole cost and expense, procure and maintain throughout the term of this Agreement:

- a. Commercial General Liability Insurance with limits not less than \$1 million (CSL) per occurrence for Property Damage and Bodily Injury Liability, including Products/Completed Operations Liability, Blanket Contractual Liability and Personal Injury Liability. If an annual aggregate is used, each annual aggregate limit shall not be less than \$2 million when applicable and will be endorsed to apply separately to each job site or location. This insurance must name as additional insureds Boise State University and the State of Idaho; and
- b. Workers' Compensation and Employers' Liability Insurance as follows:
  - i. Workers' Compensation – as required by Idaho statute including occupational disease. Kaizen must provide either a certificate of workers' compensation insurance issued by a surety licensed to write workers' compensation insurance in the State of Idaho, as evidence that Kaizen has in effect a current Idaho workers' compensation insurance policy, or an extraterritorial certificate approved by the Idaho Industrial Commission from a state that has a current reciprocity agreement with the Idaho Industrial Commission. Kaizen shall exonerate, defend, indemnify and hold harmless University and the State of Idaho from and against, and assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, workers' compensation and income tax laws with respect to the contractor or Kaizen's employees engaged in performance under this Agreement.
  - ii. Employers' Liability – with limits not less than: Bodily Injury by Accident, \$100,000 each accident; Bodily Injury by Disease, \$100,000 each employee with a \$500,000 policy limit.
- c. Prior to the commencement of the term of this contract, Kaizen shall deliver or fax to the University certificate(s) of insurance with respect to all such insurance identified above in a form reasonably satisfactory to the University. The certificate(s) must contain a written provision that, should any of the above-described insurance policies be canceled or non-renewed before the expiration date thereof, the issuing company must notify the University in



writing, by certified or registered mail, receipt requested, at least thirty (30) days prior to any cancellation or non-renewal of any such insurance.

20. Intellectual Property. Intellectual Property, including but not limited to, discoveries, designs, methodologies, improvements, software, know-how, and works of authorship created during the term of and in performance of this Agreement shall be owned as follows: (a) intellectual property created solely by one or more University employees shall be owned by University; (b) intellectual property created solely by one or more employees of Kaizen shall be owned by Kaizen, provided however, that University shall have a non-exclusive, perpetual, fully paid up license to use such intellectual property for so long as the University offers the Program in conjunction with Kaizen; and (c) intellectual property created by one or more employees of University and one or more employees of Kaizen shall be jointly owned by University and Kaizen. Intellectual property created outside the term of and external to the performance of this Agreement will be owned by the originating party and nothing in this Agreement shall be construed as a transfer of ownership rights to any party of the others' external intellectual property, provided however, that University shall have a non-exclusive, perpetual, fully paid up license to utilize course materials owned by Kaizen for so long as the University offers the Program in conjunction with Kaizen.
21. Notices. Any notice under the terms and provisions of this Agreement shall be in writing and shall become effective on the third day after it is deposited in the United States mail, with proper postage prepaid, addressed to the party at the address appearing below or to such other addresses as the party may from time to time designate by notice in writing.

If to University:

Boise State University  
College of Business and Economics  
Attn: Patrick Shannon, Dean  
1910 University Drive  
Boise, Idaho 83725

With copy to:

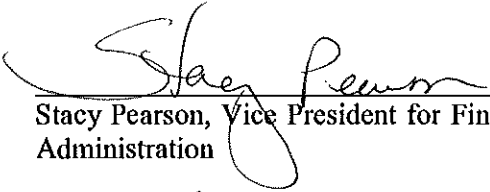
Boise State University  
Office of the General Counsel  
1910 University Drive  
Boise, Idaho 83725-1002

If to Kaizen:  
Kaizen Institute Consulting Group USA  
7137 East Rancho Vista Drive  
Suite B-11  
Scottsdale, AZ 85251

IN WITNESS WHEREOF, the parties agree to the terms and conditions of this Agreement and have executed this Agreement freely and agree to be bound hereby as of the Effective Date.

BOISE STATE UNIVERSITY

KAIZEN INSTITUTE CONSULTING  
GROUP USA



Stacy Pearson, Vice President for Finance and  
Administration



Jon Miller, CEO

Date: May 10, 2012

Date: 8 May 2012

**MEMORANDUM OF AGREEMENT BETWEEN  
BOISE STATE UNIVERSITY AND  
KAIZEN INSTITUTE USA  
REGARDING STUDY MISSION**

THIS MEMORANDUM OF AGREEMENT ("Agreement") is entered into by and between Boise State University ("University") and Kaizen Institute Consulting Group USA ("Kaizen") on this \_\_8th\_\_ day of \_\_May\_\_, 2012.

WHEREAS, the University is a body corporate and politic of the State of Idaho and a state institution of higher education;

WHEREAS, Kaizen is a consulting and training organization dedicated to "Lean" education, reducing waste, creating measurable improvements, and developing individuals;

WHEREAS, Boise State University wishes to affiliate with Kaizen (collectively the "Parties") to provide a Study Mission in conjunction with the Executive Master of Business Operational Excellence Program (the "Program");

WHEREAS, both parties desire to set forth the terms and conditions of such relationship in this Agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties hereto agree as follows:

1. Required Approvals. The rights and obligations contemplated herein shall not inure to University or Kaizen unless and until approval of the Program and this Agreement is sought and received from the University's Office of the Vice President for Finance and Administration, the University's Office of the Provost and Vice President for Academic Affairs, and the Idaho State Board of Education.
2. University Obligations. University shall be responsible for providing instructors to accompany the students on the Study Mission to Japan. University shall be responsible for instructors' travel arrangements to and from Japan.
3. Kaizen Obligations. Subject to University approval, Kaizen shall be responsible for all aspects of the Study Mission to Japan, including all costs for in-country transportation, meals, and lodging, and arranging all tours and visits to companies while in Japan. One Study Mission shall be scheduled for each cohort. Kaizen shall be responsible for providing instructor(s) for the study mission.
4. Student Obligations. Students will be responsible for their own travel arrangements, visa arrangements, trip cancellation insurance, passport costs, excess baggage shipment and storage, personal expenses such as telephone charges, and medical insurance to cover medical contingencies while in Japan.

5. Term and Termination.

- a. *Term.* The Term of this Agreement shall be for a period of five (5) years, unless sooner terminated as set forth herein.
- b. *Termination for Default.* University may terminate this Agreement upon providing written notice of default or non-compliance to Kaizen and Kaizen has failed to cure the default or non-compliance within thirty (30) calendar days. University, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary, including, without limitation, offset of damages against payment due.
- c. *Termination for Convenience.* Either party may terminate this Agreement for convenience upon ninety (90) days prior written notice. However, such termination shall not be effective until the conclusion of the next scheduled Study Mission, unless, in the University's sole discretion, the University decides not to proceed with the next scheduled Study Mission.

- 6. Fees. University shall compensate Kaizen a flat fee of \$8,000USD per University student and \$5,000USD per University instructor attending the Study Mission, payable in the following installments: (1) \$5,000USD per student and faculty member attending the Study Mission will be due on the 15<sup>th</sup> of the month prior to the scheduled month of the Study Mission; and (2) \$3,000USD per student attending the Study Mission, excluding faculty, shall be due on last day of the month following the month the Study Mission is completed. Should the Study Mission or any cohort or offering of the Program be cancelled, no fees shall be owed to Kaizen for that same cohort or offering and any portion of fees for the canceled cohort previously paid to Kaizen shall be immediately refunded to University.
- 7. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Idaho. Any action to enforce the provisions of this Agreement shall be brought in state district court in Ada County, Boise, Idaho.
- 8. Severability. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.
- 9. Entire Agreement/Modification. This Agreement shall be binding upon the parties hereto and their respective successors and assigns. This Agreement constitutes the full, complete, and entire Agreement between University and Kaizen and supersedes all prior understandings, agreements, or arrangements between the parties with respect to the subject matter hereof. No modification or amendment to this Agreement shall be valid unless it is made in writing and signed by the authorized representatives of the Parties.
- 10. Anti-discrimination. Acceptance of this Agreement binds Kaizen to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964, in that "No person in

the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.” In addition, “No otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance” (Section 504 of the Rehabilitation Act of 1973). In the event federal funds are utilized, the applicable provisions and requirements of Executive Order 11246 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 701 of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), 29 USC Sections 621, et seq., the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, U.S. Department of Interior regulations at 43 CFR Part 17, and the Americans with Disabilities Action of 1990, are also incorporated into this Agreement. Kaizen shall comply with pertinent amendments to such laws made during the term of the Agreement and with all federal and state rules and regulations implementing such laws. Kaizen must include this provision in every subcontract relating to this Agreement.

11. Indemnification. Kaizen shall defend, indemnify, and hold harmless University from any and all liability, claims, damages, costs, expenses, and actions, including reasonable attorney fees, caused by or that arise from the negligent or wrongful acts or omissions of Kaizen, its employees, agents, or subcontractors under this Agreement that cause death or injury or damage to property or arising out of a failure to comply with any state or federal statute, law, regulation or act. Kaizen shall have no indemnification liability under this Section for death, injury, or damage arising solely out of the negligence or misconduct of University.
12. Compliance with Law. Kaizen shall comply with all requirements of federal, state, and local laws and regulations applicable to Kaizen or to the services provided by Kaizen pursuant to this Agreement, including, but not limited to, the Family Educational Rights and Privacy Act (“FERPA”). For the duration of this Agreement, Kaizen shall maintain in effect and have in its possession all licenses and certifications required by federal, state, and local laws and/or rules.
13. University Marks. Kaizen understands and acknowledges that the University owns all rights in and to the University’s name, logo(s), trade dress, colors, and other indicia (“Trademarks”) and Kaizen is not granted any rights to such Trademarks other than as herein granted. Any use by Kaizen of Trademarks shall be approved by the University’s Director of Trademark Licensing and Enforcement. Such approval may be sought via email at [licensing@boisestate.edu](mailto:licensing@boisestate.edu).
14. Kaizen Marks. University understands and acknowledges that Kaizen owns all rights in and to the terms KAIZEN, GEMBAKAIZEN, name, logo(s), trade dress, colors, and other indicia (“Trademarks”) and the University is not granted any rights to such Trademarks other than as herein granted. Any use by the University of Trademarks

shall be approved by Kaizen's officer. Such approval may be sought via email at KICG@kaizen.com.

15. Relationship between the Parties. The Parties understand and agree that each is an independent contractor engaged in the operation of its own respective business, that neither party shall be considered to be the agent, master, or servant of the other party for any purpose whatsoever and that neither has any general authority to enter into any contract, assume any obligations, or to make any warranties or representations on behalf of the other. The Parties shall be solely and personally liable for the costs of their own labor, taxes, insurance, required bonding and other expenses, except as specifically stated herein.
16. Subcontracting/Assignment. Other than for the arrangement of transportation, meals and/or lodging for the Study Mission participants within Japan, Kaizen shall not assign or subcontract any of its obligations under this Agreement without the advance written consent of University. Any unauthorized assignment shall be void. University shall have the right, but not the obligation, to terminate this Agreement without waiver of any other right or remedy, upon notice of Kaizen's assignment or subcontract in violation of this Section.
17. Force Majeure. Neither party shall be liable or deemed to be in default for any Force Majeure delay in performance occasioned by unforeseeable causes beyond the control and without the fault or negligence of the Parties, including, but not limited to, acts of God or the public enemy, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, or unusually severe weather, provided that in all cases Kaizen shall notify University promptly in writing of any cause of delay and University concurs that the delay was beyond the control and without the fault or negligence of Kaizen. The period for the performance shall be extended for a period equivalent to the period of the Force Majeure delay. Matters of Kaizen's finances shall not be a Force Majeure event.
18. Insurance Requirements. Kaizen shall, at its sole cost and expense, procure and maintain throughout the term of this Agreement:
  - a. Commercial General Liability Insurance with limits not less than \$1 million (CSL) per occurrence for Property Damage and Bodily Injury Liability, including Products/Completed Operations Liability, Blanket Contractual Liability and Personal Injury Liability. If an annual aggregate is used, each annual aggregate limit shall not be less than \$2 million when applicable and will be endorsed to apply separately to each job site or location. This insurance must name as additional insureds Boise State University and the State of Idaho; and
  - b. Workers' Compensation and Employers' Liability Insurance as follows:

- i. Workers' Compensation – as required by Idaho statute including occupational disease. Kaizen must provide either a certificate of workers' compensation insurance issued by a surety licensed to write workers' compensation insurance in the State of Idaho, as evidence that Kaizen has in effect a current Idaho workers' compensation insurance policy, or an extraterritorial certificate approved by the Idaho Industrial Commission from a state that has a current reciprocity agreement with the Idaho Industrial Commission. Kaizen shall exonerate, defend, indemnify and hold harmless University and the State of Idaho from and against, and assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, workers' compensation and income tax laws with respect to the contractor or Kaizen's employees engaged in performance under this Agreement.
  - ii. Employers' Liability – with limits not less than: Bodily Injury by Accident, \$100,000 each accident; Bodily Injury by Disease, \$100,000 each employee with a \$500,000 policy limit.
  - c. Prior to the commencement of the term of this contract, Kaizen shall deliver or fax to the University certificate(s) of insurance with respect to all such insurance identified above in a form reasonably satisfactory to the University. The certificate(s) must contain a written provision that, should any of the above-described insurance policies be canceled or non-renewed before the expiration date thereof, the issuing company must notify the University in writing, by certified or registered mail, receipt requested, at least thirty (30) days prior to any cancellation or non-renewal of any such insurance.
19. Notices. Any notice under the terms and provisions of this Agreement shall be in writing and shall become effective on the third day after it is deposited in the United States mail, with proper postage prepaid, addressed to the party at the address appearing below or to such other addresses as the party may from time to time designate by notice in writing.

If to University:

Boise State University  
College of Business and Economics  
Attn: Patrick Shannon, Dean  
1910 University Drive  
Boise, Idaho 83725

With copy to:

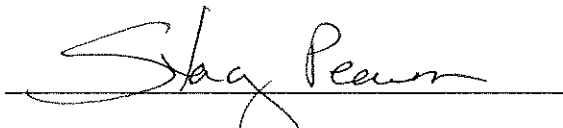
Boise State University

Office of the General Counsel  
1910 University Drive  
Boise, Idaho 83725-1002

If to Kaizen:  
Kaizen Institute Consulting Group USA  
7137 East Rancho Vista Drive  
Suite B-11  
Scottsdale, AZ 85251

IN WITNESS WHEREOF, the parties agree to the terms and conditions of this Agreement and have executed this Agreement freely and agree to be bound hereby as of the Effective Date.

BOISE STATE UNIVERSITY



Stacy Pearson, Vice President for Finance and Administration

Date: May 10, 2012

KAIZEN INSTITUTE CONSULTING  
GROUP USA



Date: 8 May 2012



**INSTRUCTIONAL, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16**

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**SUBJECT**

Postsecondary Data Reporting Change to State Census Date

**BACKGROUND/DISCUSSION**

Postsecondary institutions in Idaho have used the 10<sup>th</sup> day enrollment numbers as the official census date for more than two decades. There have been many changes in higher education programs and student enrollment in the last decade. Since at least 2006, the Council for Academic Affairs & Programs (CAAP) and the Directors of Institutional Research at the public postsecondary institutions have discussed changing the census date from 10<sup>th</sup> day to a later date in the semester. The purpose of the census date is to capture a point in time enrollment. The census data is used for snapshot reporting purposes and reports to the State and Federal government. These data are evaluated for headcount and full-time equivalent enrollment trends used for scholarship distribution numbers, internal evaluation purposes at the institution, and are captured in the postsecondary State Longitudinal Data System.

There are no State or Federal laws that mandate a census date for states. In fact, there is significant variation across the country regarding official state census dates. Some states use the 10<sup>th</sup> day of the semester, some use the last day to drop or add classes without penalty, or some other point in time in the semester, and some states use the Integrated Postsecondary Education Data System (IPEDS) default date of October 15<sup>th</sup>.

CAAP voted unanimously to change Idaho's official census date from 10<sup>th</sup> day to October 15<sup>th</sup> for the fall semester and March 15<sup>th</sup> for the spring semester. Changing the census date to later in the semester provides for a more accurate enrollment snapshot that will better capture dual credit enrollment and late start classes. These students may not be registered by the 10<sup>th</sup> day due to differences in the postsecondary and secondary schedule resulting in undercounting for 10<sup>th</sup> day reports. For dual credit this is significant as the students represent anywhere from 4% to 17% of an Idaho public institution's 12-month enrollment.

**IMPACT**

Changing the census date from 10<sup>th</sup> day to October 15<sup>th</sup>/March 15<sup>th</sup> will likely increase the student enrollment numbers as the later date provides a more accurate enrollment picture. This change will result in the establishment of a new historical trend for enrollment numbers; however these numbers should also provide a more accurate representation of student enrollment.

This change may have some financial implications to the institutions due to the increased enrollment being captured in reporting. Currently, census date reports are tied to the Blackboard contract fees. Institutions are also required to use the official state census day for their IPEDS reports.

**STAFF COMMENTS AND RECOMMENDATIONS**

**INSTRUCTIONAL, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16**

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The Board staff recommends approval to change Idaho's official census date from 10<sup>th</sup> day to October 15<sup>th</sup> for the Fall census reporting and March 15<sup>th</sup> for the Spring census reporting.

**BOARD ACTION**

I move to approve the request to change Idaho's official census date from 10<sup>th</sup> day to October 15<sup>th</sup> for Fall census reporting and March 15<sup>th</sup> for Spring census reporting and to direct staff to incorporate into Board policy.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16, 2012**

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**IDAHO EPSCOR**

**SUBJECT**

Experimental Program to Stimulate Competitive Research (EPSCoR) Annual Summary Report

**REFERENCE**

June 17, 2010

EPSCoR provided annual report to the Board

August 11, 2011

EPSCoR provided annual report to the Board

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section III.W.  
Higher Education Research

**BACKGROUND/DISCUSSION**

The Experimental Program to Stimulate Competitive Research (EPSCoR) is a federal-state partnership designed to enhance the science and engineering research, education, and technology capabilities of states that traditionally have received smaller amounts of federal research and development funds. Through EPSCoR, participating states are building a high-quality, academic research base that is serving as a backbone of a scientific and technological enterprise.

Idaho EPSCoR is currently led by a state committee composed of 16 members with diverse professional backgrounds from both the public and private sectors and from all regions in the state. The Idaho EPSCoR committee oversees the implementation of the EPSCoR program and ensures program goals and objectives are met. The Idaho EPSCoR office and the Idaho EPSCoR Project Director are located at the University of Idaho. Partner institutions are Boise State University and Idaho State University.

Consistent with Board Policy III.W.2. d., EPSCoR has prepared an annual report regarding current EPSCoR activities that details all projects by federal agency source, including reports of project progress from associated external Project Advisory Board (PAB).

**ATTACHMENTS**

Attachment 1 – Annual Report Summary

Page 3

**STAFF COMMENTS AND RECOMMENDATIONS**

The current Idaho NSF-EPSCoR award is a five (5) year, \$15M award focusing on water resources in a changing climate. The current award will expire August 31, 2013. The Higher Education Research Council currently allocates \$600,000 in matching funds for the current award. The EPSCoR Committee is in the process of developing a new grant proposal for the next award cycle. The matching fund requirements for the new award, if received, will be higher than

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16, 2012**

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the current award. The current estimate for needed matching funds for the new award is \$800,000.

**BOARD ACTION**

This item is for informational purposes only. Any action will be at the Board's discretion.

Introduction



**Idaho NSF EPSCoR Research Infrastructure Improvement (RII):  
Annual Report (Sept. 2011 – Aug. 2012)**

Rick Schumaker, Project Administrator  
Peter Goodwin, Project Director

Idaho State Board of Education  
August 16, 2012






Introduction

## Annual Report Outline

- ✓ Idaho EPSCoR Overview
- ✓ Activities and Accomplishments
  - Track 1
  - Track 2
  - C2
- ✓ 22<sup>nd</sup> National EPSCoR Conference
- ✓ Concluding Remarks

[www.uidaho.edu/epscor](http://www.uidaho.edu/epscor)












Management and Stewardship

## “ONEIdaho” Philosophy

- ✓ EPSCoR is about transformative research. It is not about playing ‘catch-up’ – but about leading and forging niche areas consistent with S&T plans
- ✓ EPSCoR is about building community – “ONEIdaho”
  - research community
  - education community
  - integrating research and education
  - engaging our full intellectual capacity
- ✓ Communication – at all levels
  - Idaho EPSCoR web page
  - Newsletter
  - Conferences
    - ONEIdaho Diversity Summit (March)
    - Idaho STEM Summit
    - Annual Meeting (Oct 2-3, 2012)









Research Infrastructure Improvement (RII)

## Active NSF EPSCoR RII Projects

- ✓ Track 1: Academic Research Capacity
  - *Water Resources in a Changing Climate*
  - Sept. 2008 – Aug. 2013; \$15 M
- ✓ Track 2: Cyberinfrastructure
  - *Western Consortium of Idaho, Nevada, and New Mexico*
  - Sept 2009 – Aug. 2013; \$2 M to ID
- ✓ C2: Intra- and Inter-Campus Connectivity
  - Sept. 2010 – Aug. 2013; \$1.2 M



Water Resources in a Changing Climate

### Track 1 EPSCoR Investments

- ✓ Research Infrastructure
  - Hydroclimatology
  - Ecological Change
  - Economics and Policy
- ✓ Cyber-infrastructure
- ✓ Education and Outreach
- ✓ Diversity
- ✓ Stewardship










Intellectual Capacity

### Track 1 EPSCoR Investments

- ✓ Develop research infrastructure by investing in people
- ✓ 10 new tenure-track faculty
  - Hiring completed
  - Fill key research niches
  - Integrate across disciplines
  - 6 female faculty
- ✓ Leveraged additional positions
  - Dr. Donna Delparte

















Sustainability and Strategic Fidelity

Research Competitiveness

Metric	Yr 4 (#)	Yr 4 (\$)	Total (#)	Total (\$)
Proposals	103	\$43.9 M	330	\$192.8 M
Grants/Awards	60	\$9.0 M	191	\$60.9 M
Pending	32	\$24.0 M	--	--
Publications	59	--	251	--

Impacts of climate change on hydrology and water resources in the Boise and Spokane River Basins  
Journal of American Water Resources Association, 1-25, /doi/10.1111/j.1752-1688.2011.00605.x.  
Xin Jin and Venkataramana Sridhar, Boise State University


Assessing streamflow sensitivity to temperature increases in the Salmon River Basin, Idaho  
Global and Planetary Change, 88-89, 32-44  
Tang, C., B.T. Crosby (Idaho State University), J.M. Wheaton, and T.C. Piechota



Research Competitiveness

Highlights

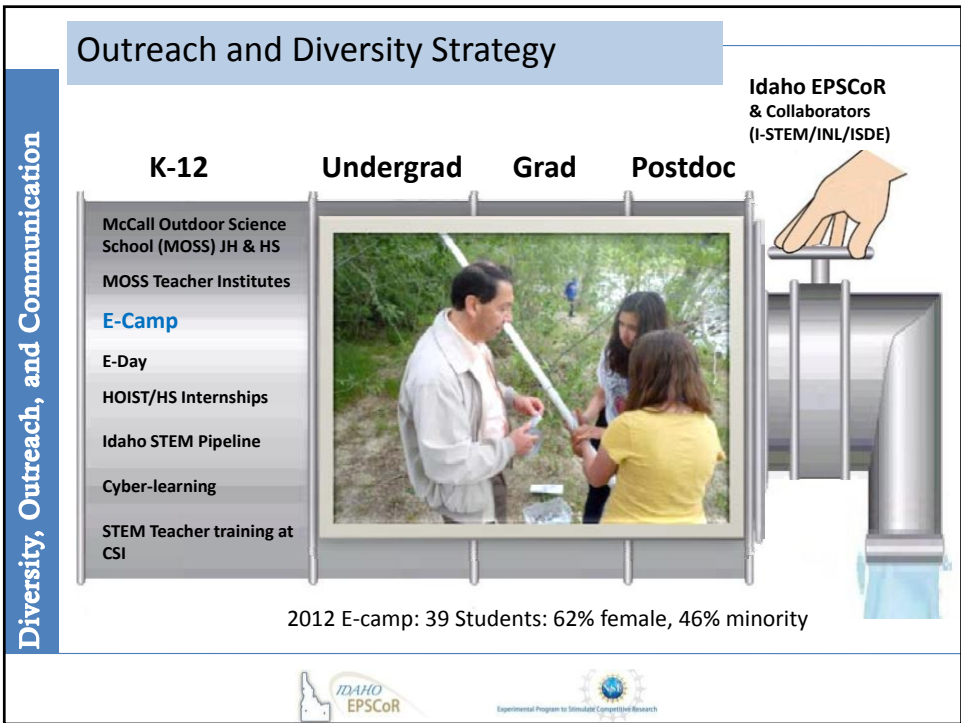
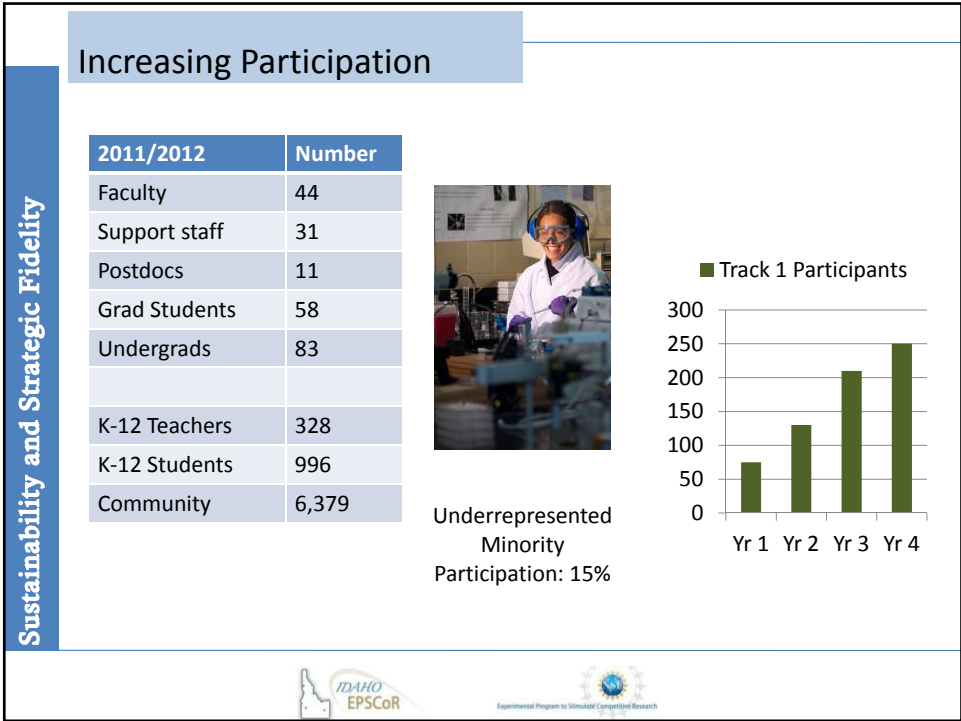
- ✓ Successful program Reverse Site Visit at NSF (Aug. 2011)
- ✓ External Project Advisory Board Review (Dec. 2011)
- ✓ Idaho is hosting the PNW Climate Science Conference in Boise, Idaho (October 1-2)
- ✓ Growth of the Northwest Knowledge Network (NKN)
- ✓ Statewide Cyberinfrastructure planning underway
- ✓ Interdisciplinary Modeling Course
- ✓ Expanding collaborations









Cyberinfrastructure

Track 2 RII: Tri-State Consortium



IDAHO EPSCoR

EPSCoR

New Mexico EPSCoR

Western Consortium of Idaho, Nevada, and New Mexico

- ✓ Tri-State Meetings
  - April 2012: Sun Valley, Idaho
- ✓ Improved Network Connectivity
- ✓ Data Interoperability
- ✓ Innovation Working Groups
- ✓ Junior Faculty Development
- ✓ Cyber-learning
- ✓ Tri-State Diversity Plan

IDAHO EPSCoR

Experimental Program to Stimulate Competitive Research


Research and Cyber- Infrastructure

RII C2 – Connectivity

- ✓ New Data Architect Faculty Position (UI)
- ✓ Campus network Improvements (ISU, CSI)
- ✓ Access to Idaho Regional Optical Network (IRON)
- ✓ Enhanced video capabilities (LCSC)
- ✓ ICE Net Teacher Training in collaboration with NASA and USDA-funded projects

....to support research and research-based education

CSI



IDAHO EPSCoR

Experimental Program to Stimulate Competitive Research

Collaboration through RII C2

North Idaho College

University of Idaho

Lewis-Clark  
STATE  
COLLEGE

IDaho EDUCATION NETWORK

IRON  
IDaho REGIONAL  
OPTICAL NETWORK

IDaho  
EPSCoR

Experimental Program to Stimulate Competitive Research

Idaho's Increasing Share of NSF Funding

➤ Idaho is becoming more nationally research competitive as evidenced by the % of competitive dollars not funded by NSF EPSCoR

Percent of total

Period	Percent of total
97-99	0.07
99-01	0.09
01-03	0.12
03-05	0.13
05-07	0.15
07-09	0.22
09-11	0.22

3-Yr Avg.

➤ The Share of Total NSF Research Funding won by Idaho Continues to Increase

National NSF EPSCoR Conference

22<sup>nd</sup> National Conference: Oct. 24-27, 2011

- ✓Water/Environment
- ✓Workforce Development
- ✓Energy
- ✓State Committees
- ✓Regional Economic Development
- ✓Communicating Science












NSF EPSCoR RII



Thank you for your attention!

[www.uidaho.edu/epscor](http://www.uidaho.edu/epscor)



**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16, 2012**

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**SUBJECT**

Quarterly Report: Programs and Changes Approved by Executive Director

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies and Procedures, Section III.G.4.b.(2), Program Approval and Discontinuance

**BACKGROUND/DISCUSSION**

In accordance with Board Policy III.G.4.a and b.(2), Executive Director approval prior to implementation is required for any new academic or professional-technical program, major, minor, option, emphasis or instructional unit with a financial impact of less than \$250,000 per year. Board policy also requires Executive Director approval for "Changes, additions, expansions, and consolidations to existing instructional programs, majors, minors, options, emphases or instructional units with a financial impact of less than \$250,000."

Consistent with Board Policy III.G.4.b.(2), "All modifications approved by the executive director shall be reported quarterly to the Board." The Board office is providing a report of program changes, additions, and discontinuations from Idaho's public colleges and universities that were approved between May 2012 and July 2012 by the Executive Director.

**ATTACHMENTS**

Attachment 1 – List of Programs and Changes Approved by the  
Executive Director

Page 3

**STAFF COMMENTS AND RECOMMENDATIONS**

Institutions evaluate existing programs consistent with their internal review processes and Board Policy for quality, effectiveness, and efficiencies. Such reviews also assist institutions in modifying existing program offerings to align with national trends and demand. The accompanying list primarily portrays discontinuation of degree programs and options as a result of reviews conducted at respective campuses.

**BOARD ACTION**

This item is for informational purposes only. Any action will be at the Board's discretion.

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**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16, 2012**

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**Academic Programs**  
**Approved by Executive Director**  
**May 2012 – July 2012**

<b>Boise State University</b>
Discontinue BA in Mathematics, BS in Mathematics remains
Discontinue AS, BS in Health Informatics and Information Management
Discontinue BA in Criminal Justice, BS in Criminal Justice remains
Discontinue BA in Social Science, BS in Social Science remains
Discontinue BA in Sociology, BS in Sociology remains
Create 5 new emphases in the BS in Health Science Studies <ul style="list-style-type: none"><li>• Gerontology</li><li>• Health Policy and Leadership</li><li>• Health Informatics and Information Management</li><li>• Prevention and Addiction Studies</li><li>• Public Health</li></ul>
Discontinue BA – Political Science, Social Science, Secondary Education
Discontinue BA – Political Science, BS in Political Science remains
Discontinue BA in Psychology, BS in Psychology remains
Discontinue BS/BA in Psychology, Social Studies, Secondary Education Emphasis
Discontinue BA in Communication/English, Journalism emphasis and Humanities/Rhetoric emphasis
Discontinue BA in Communication, Secondary Education
Discontinue BA/BS in Accountancy, BBA in Accountancy remains
Discontinue BA Mathematics Secondary Education, BS remains

<b>Idaho State University</b>
Discontinue Pre-Architecture Program
Discontinue B.A. in American Studies, American Studies Minor

**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS  
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<b>University of Idaho</b>
Addition of Business Law and Entrepreneurship Emphasis under the Law Program
Discontinue Ed.S. in School Psychology
New Graduate Certificate, Rehabilitation Counseling Category R
Discontinue Minor in Classical Studies
Discontinue Sustainable Small Acreage Farming and Ranching Academic Certificate
Discontinue B.S, Physical Education, in Athletic Training

<b>College of Southern Idaho</b>
Merge Commercial Art, General Art, and Photography into one degree entitled Visual Arts
Discontinue International Business – Associate of Arts
Discontinue Photography, Associate of Arts
Discontinue Commercial Art, Associate of Arts



**INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS**  
**AUGUST 16, 2012**

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**Professional - Technical Education Programs**  
**Approved by Executive Director**

Program Activity	Institution
Consolidate Computer Support Technician and Network Systems Technician into one program called Computer Information Systems. Program will include two options: Computer Support Technician (9-month technical certificate and Network Systems Technician (18-month AAS degree	CSI

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