

1. Agenda Approval

Changes or additions to the agenda

BOARD ACTION

I move to approve the agenda as submitted

2. Minutes Approval

BOARD ACTION

I move to approve the minutes from the December 4, 2012 special Board meeting and the December 12-13, 2012 regular Board meeting as submitted.

3. Rolling Calendar

BOARD ACTION

I move to set February 26-27, 2014 as the date and Boise State University as the location for the February 2014 regularly scheduled Board meeting.



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

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

A special meeting of the State Board of Education was held December 4, 2012. It originated at the Office of the State Board of Education, in the Len B. Jordan Building, 650 W. State Street, 3rd Floor in Boise, Idaho. Board President Ken Edmunds presided and called the meeting to order at 3:00 p.m. MST. A roll call of members was taken for the meeting.

Present:

Ken Edmunds, President
 Don Soltman, Vice President
 Emma Atchley, Secretary

Bill Goesling
 Rod Lewis
 Milford Terrell

Absent:

Tom Luna
 Richard Westerberg

BUSINESS AFFAIRS AND HUMAN RESOURCES

1. University of Idaho – Head Coach Contract

BOARD ACTION

M/S (Atchley/Soltman): To approve the request by the University of Idaho to enter into a multi-year employment contract with Paul Petrino, as Head Men’s Football Coach, for a three year rolling term expiring no later than December 31, 2017 with an annual base salary of \$175,000 and such contingent base salary increases, annual media payments, and incentive/supplemental compensation provisions as set forth in the materials presented to the Board, in substantial conformance with the terms of contract set forth in Attachment I to the Board materials. A roll call vote was taken and the motion carried unanimously.

Ms. Atchley introduced the item and provided a summary. She indicated the University wishes to enter into a multi-year contract with Paul Petrino as the University’s Head

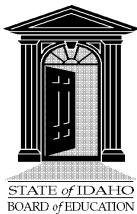
Men's Football Coach for an initial term of three (3) years with two (2) potential extension years based on paid home game attendance goals. The coach's initial annual base compensation without any incentive/supplemental compensation would be \$390,000 (including media payment). The academic incentives are adequate – the amounts being equivalent to incentive pay for conference or national coach of the year.

Mr. Freeman confirmed for Board members that the contract does follow the Board's approved model contract. Mr. Lewis asked if there was a buy-out clause. Ms. Atchley confirmed the buy-out clause on behalf of the university and summarized those details, commenting the contract contains significant payment provisions in favor of the University if the coach terminates employment for convenience. University of Idaho legal counsel Kent Nelson added that if the University terminates the contract, the University is obligated to continue the base salary and media payment for the term of the contract. Mr. Freeman indicated this clause is in line with the model contract.

OTHER BUSINESS

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

M/S (Terrell/Atchley): To adjourn at 3:11 p.m. MST. The motion carried unanimously.



STATE BOARD OF EDUCATION
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STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION

**DRAFT MINUTES
STATE BOARD OF EDUCATION
December 12-13, 2012
Special Board Meeting
Boise, ID**

A regularly scheduled meeting of the State Board of Education was held December 12-13, 2012 at North Idaho College in the Lake Coeur d'Alene Room of the Student Union Building in Coeur d'Alene, Idaho. Board President Ken Edmunds presided and called the meeting to order at 1:00 p.m. PST. A roll call of members was taken for the meeting.

Present:

Ken Edmunds, President
Don Soltman, Vice President
Emma Atchley, Secretary
Tom Luna

Bill Goesling
Richard Westerberg
Rod Lewis (joined the meeting of 3:10
pm on 12/12)

Absent:

Milford Terrell

BOARDWORK

1. Agenda Review

BOARD ACTION

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

2. Minutes Review

BOARD ACTION

M/S (Soltman/Atchley): To approve the minutes from the October 17-18, 2012 Regular Board meeting, the November 19, 2012 Special Board meeting, and the November 20 Special Board meeting as submitted. The motion carried unanimously.

3. Rolling Calendar

BOARD ACTION

M/S (Soltman/Westerberg): To set December 18-19, 2013 as the date and the College of Western Idaho as the location for the December 2013 regularly scheduled Board meeting. The motion carried unanimously.

There was brief discussion about the February 2013 date. Ms. Bent clarified that the date would remain as originally scheduled for February 20-21, 2013.

WORK SESSION**POLICY PLANNING & GOVERNMENTAL AFFAIRS (PPGA)**A. Board of Education Strategic Plan

Ms Bent identified that the Board's strategic plan is used to define the vision and mission of Idaho's K-20 educational system. The strategic plan is used to guide future growth and development, and establish priorities for resource distribution. Strategic planning provides a mechanism for continual review to ensure excellence in education throughout the state.

Ms. Bent indicated there have been minor wording changes to some of the performance measures to further define the data being collected, in addition to the changes requested by Board members at the October 2012 Board meeting. Additionally the two statewide Performance Based Funding Measures have been incorporated into the strategic plan. Additional work will be required over the next year to determine a statewide benchmark for these two measures.

Ms. Bent provided a review of the goals and objectives of the Board's strategic plan. She indicated much work has been done on the performance measures but not as much on goals and objectives. She provided Board members with a redlined copy of the changes to the plan. Starting with Goal 1, she identified the changes under Objective A and its performance measures. She commented that the performance measure related to the Opportunity, LEAP and SLEAP scholarships had been deleted because LEAP and SLEAP do not exist anymore, and the Opportunity scholarship fits under what is now the first measure for Objective A. She identified changes to the current benchmarks and the proposition of a new performance measure to include ACT and SAT benchmarks. There was discussion on access for students and what may or may not need to be changed in Objective A. Dr. Goesling indicated he would like to see a measurement that speaks to having the facilities and staff to support the plan that also shows any limitations of facilities and staff. Mr. Edmunds expressed concern of student financial and geographic limitations and urged lowering costs and increasing opportunities for students wherever they are via on-line learning or otherwise. Ms. Atchley commented that she sees the lack of transferability as a barrier to students which needs to be addressed as well in the discussion on access. Mr. Westerberg would like benchmarks to determine whether access has been improved.

Dr. Rush commented on the structure of the plan and reminded Board members that implementation of these measures is a guide for institutions to use for development and response to their own plans and measures. This is a high-level planning process to address key areas. For today's discussion, the Board agreed to review the additions and deletions to the plan and discuss benchmarks at the end of the review.

Ms. Bent went on to discuss changes under Objective B, Goal 1, which speaks to the levels of educational attainment achieved. Staff proposes adding the number of degrees conferred which is also a performance based funding metric. Additionally, they are adding the number of postsecondary students receiving awards during the academic year and the percentage of high school students enrolled in advanced opportunities as benchmarks. Ms. Bent reminded the Board members that this strategic plan is also in alignment with the Complete College Idaho (CCI) plan. Mr. Westerberg expressed concern over having too many benchmarks and to be cautious to not have so many that the plan will be diluted. Mr. Edmunds suggested reordering the benchmarks by progression and chronological flow.

There was continued discussion about benchmarks and measurements of the strategic plan. Dr. Goesling suggested identifying measurable components related to access and providing a definition for the institutions to work toward. Then, the institutions would respond to the Board on those components and benchmarks including their restrictions and transferability.

Ms. Bent moved on for discussion of Goal 1, Objective C which is Adult Learner Reintegration and has traditionally been light on benchmarks. The benchmark for the number of bridge programs was increased, and added to this objective is the percentage of first-year part-time freshmen returning for second year for 2-year and 4-year institutions. Goal 1, Objective D, Transition, was discussed. Mr. Edmunds felt there are more things the Board should be directing the institutions to do as related to improving student transition to the work force. Ms. Bent pointed out the difficulty in measuring outcomes system wide under this objective, adding that once the SLDS work is complete to include workforce data it should help illustrate outcomes. Mr. Westerberg suggested a placement percentage for the objective – such as if the student got placed and if it was in their area of study. He suggested a measure that identifies relevancy and quality of education. Dr. Ickes commented that the University of Idaho does a follow-up survey with their seniors at three years out to collect information on how long it took to get a job, the kinds of jobs, and industry areas the students go into.

Ms. Atchley suggested including data on internships and apprenticeships. Dr. Goesling suggested including information on the number of students who are prepared for STEM fields. He also asked how students from the IDo teach program will be counted in this data. Ms. Bent responded that they will be counted as STEM majors. Dr. Goesling would like a measurement related to STEM included. Dr. Rush clarified that the Board will have data available that integrates workforce data into the data it presently has.

Mr. Lewis joined the meeting at 3:10.

Ms. Bent reviewed the changes under Goal 2, Objective A. She indicated the first two

performance measures struck the word *funding* and replaced it with the word *expenditures* after discussions with institutions and how they track the money. Added to this objective are the number of sponsored projects involving the private sector and the total amount of research expenditures.

Objective B measures student internships and undergraduate research. Ms. Bent indicated that based on previous Board discussion the performance measure related to student participation in internships would be moved to the Objective D – *Transition* section. Staff is proposing to add National Assessment of Educational Progress (NAEP) proficiency levels in Math and Science. She pointed out that NAEP has three levels of proficiency which are not in alignment with Idaho's current AYP proficiency levels and that the assessment is not done annually and is only done on specific grades and subjects. Mr. Soltman asked about annual benchmarks. Ms. Bent responded this measurement is done every other year and clarified the reasons for using NAEP. Mr. Luna provided comments on how NAEP works and what it measures. Mr. Soltman asked if we want to include this as a performance measure since it is not annual. Dr. Rush and Mr. Luna suggested using the SAT. Ms. Bent responded that would be a possibility and pointed out one consideration with how science is measured. Mr. Luna felt the SAT is one of the indicators that should be looked at. Mr. Westerberg also suggested using the SAT math score. There was further discussion surrounding measuring critical thinking. Dr. Ed Baker from Boise State University provided comments on measuring these areas and that the dimensions of both do overlap. The Board members agreed to remove *Objective B – Innovation and Creativity*, and leave those descriptors under Objective A. Thus, Objective A will remain as *Critical Thinking, Innovation and Creativity*. Additionally, the undergraduate research measure that was under Objective B would become part of the performance measures of Objective A. With regard to the NAEP performance measure, the Board agreed to remove it.

At this time, the Board took a moment to recognize the 2012 Idaho Teacher of the Year, Ms. Katie Pemberton from Canfield Middle School in Coeur d'Alene. Ms. Pemberton has taught for seven years and also works as an adjunct professor at Lewis-Clark State College. She attended today's meeting with Coeur d'Alene Superintendent Hazel Bauman. Mr. Luna shared some remarks for the audience about the award and expressed what a great example Ms. Pemberton is to the classroom and the community. Ms. Pemberton thanked the Board for its leadership in the state and spoke of the honor of representing the school district and the teachers of Idaho.

Returning to the work session, the Board discussed changes to Goal 2, Objective C, Quality Instruction which looks at the performance of students and a new measure that will look at the quality of teachers. Mr. Soltman pointed out the measures do not address recruitment and retention of teachers. Ms. Bent responded that this area is difficult to measure because the data is specific to school districts and encouraged suggestions from Board members. She indicated the measure they are proposing to add is the percentage of first-time students from public institution teacher training programs that pass the Praxis II. Mr. Edmunds asked for suggestions in what the Board should be looking at with regard to recruitment and retention of highly qualified teachers. Mr. Luna responded that there is discussion and goal setting needed for teacher prep programs and licensure. He indicated teacher scores on the Praxis is not

a good indicator of success in the classroom because it only measures a teachers content knowledge. He felt there would be forthcoming information that would help with the standards for this measure and added that within the information would be a common licensure and common readiness standards that would be signed on by a number of other states including Idaho. He encouraged student achievement to be part of a teacher's evaluation with focus both on growth and proficiency. Mr. Luna added that there needs to be more discussion on the five-star rating system. He also suggested that AYP should be removed and the five-star rating system should be added under this goal and objective.

There was continued discussion on the development, recruitment and retention of highly qualified teachers and teacher preparedness. Mr. Luna indicated that a good early predictor is what is happening in our colleges presently in the way of development, and how pre-teachers are performing and developing professionally. Mr. Lewis suggested including *development* on the objective with recruitment and retention. This recommendation was agreed upon by the other Board members.

Ms. Atchley commented that the Board needs to set the bar for new teacher qualifications. Mr. Luna suggested asking superintendents for feedback on where they would like to hire their new teachers from. Dr. Goesling suggested asking the institutions for feedback on the performance of teachers to use as part of the measurement. The Board continued to discuss and seek more information on teacher preparedness and what kind of a goal needs to be inserted to indicate a reasonable measurement of teacher performance.

Moving on to Goal 3, Objective A, Ms. Bent identified the changes to this section and that the change to the first performance measure is also tied to the performance based funding initiative. Dr. Goesling asked how students are identified who require remedial education. Ms. Bent responded that through the CCI Plan, remedial students will be able to be identified. Dr. Goesling also expressed wanting to see a measure dealing with financial aspects.

The Board members went on to discuss Goal 3, Objective B which was one that previously had one performance measure. Staff proposes adding in the four phases previously approved by the Board in the benchmarks. The Data Quality Campaign (DQC) "actions met" item was added as a new performance measure. Ms. Bent indicated and identified the 10 items for Idaho, of which five have been met already.

Ms. Bent moved on to Goal 3, Objective C, which addresses administrative efficiencies aimed at creating cross institutional collaboration as a way to consolidate services and reduce costs in non-competitive business processes. Ms. Bent reported that a significant amount has been done under this measure and outlined those changes. Mr. Westerberg asked if we have measures that point toward collaborations. Ms. Bent responded that there was trouble with collecting this data from institutions. Mr. Lewis recommended focusing on collaborations that save money and create efficiencies. Mr. Westerberg recommended noting cost per credit hour under this objective. There was discussion about reducing the amount of measures related to research and consolidating them into one surrogate. Dr. Goesling recommended moving the

collaborative efforts to Goal 3, Objective A. Ms. Bent commented that Objective C may be able to be removed and the measure on collaboration specific to cost efficiencies could be added to one of the other objectives. Dr. Rush pointed out that there has been a significant increase in collaborative efforts among the institutions as well as with the Board office. The Board members decided to add a collaboration measure to Goal 3, Objective A.

Ms. Bent provided a review of the annual benchmark numbers. There was discussion about the benchmarks and that the Board may not be able to set benchmarks at today's work session. It was agreed on by the Board that the PPGA Committee should review benchmarks and return to the Board with recommendations. There was discussion about state funded scholarships. Dr. Rush clarified that the conclusion from the Scholarship Committee was that the scholarship program needs to be organized properly before pursuing the legislature for money. Mr. Lewis suggested studying scholarships at each institution as a place to start. Dr. Ickes cautioned the Board about focusing only on need based scholarships, because it could produce an incentive to reallocate from elsewhere. Ms. Atchley commented on the need to review cost per credit hour. Dr. Goesling felt it is important to keep pursuing state funded scholarship dollars. Mr. Westerberg commented this goal needs to contain the net cost of education.

Mr. Lewis redirected the discussion to Goal 1, Objective B and the go-on rate and 60% goal that focuses only on Idaho graduates. Ms. Bent clarified that this measure focuses on Idaho graduates because the Board has the most impact to increase that number. Mr. Lewis was concerned about the language and it was decided to strike the word *Idaho* and replace it with *all*. Mr. Westerberg reemphasized the goal of having an educated workforce. Mr. Lewis suggested giving more consideration to what the total go-on rate should be over the next several years starting from where we are presently. Ms. Bent responded that we can calculate what we will need for each year consecutively for the go-on rates and note those figures.

In summary, the consensus of the Board is to increase the scholarship pool. For the scholarship discussion, Dr. Rush recommended staying the course for this year for state based need. Mr. Lewis' suggestion for scholarships was to achieve an institution number and establish a goal at a higher level and include a state funded goal.

At the conclusion of the discussion on this item, there was no action taken on the original motion as provided in the agenda. It was decided that the strategic plan item would come back before the Board during the February Board meeting.

B. Higher Education Research Strategic Plan**BOARD ACTION**

M/S (Soltman/Goesling): To approve the 2013-2018 Statewide Strategic Plan for Higher Education Research as submitted. The motion carried unanimously.

M/S (Soltman/Goesling): That the Board return this item to HERC and direct HERC to provide baselines for the measures and identify how to address barriers identified in the plan. The motion carried unanimously.

Mr. Soltman introduced the agenda item and commented this Higher Education Research Strategic Plan has been revised and improved by the Higher Education Research Council. Ms. Bent added that the benchmarks which were provided are percentage increases which are difficult for the Board to interpret what those increases equate to in consideration of where the institutions are presently. Ms. Bent commented that HERC reviewed the plan and performance measures provided by the institutions and did make a determination that the goals do stretch the institutions.

Mr. Edmunds asked HERC to provide a baseline report to the Board to measure progress and that historical information be included in the report. Ms. Atchley additionally suggested the institutions address barriers and recommend solutions to them. There was discussion about whether the goals are adequate and suggestion that additional goals may need to be added.

BUSINESS AFFAIRS & HUMAN RESOURCESC. General Fund Update

Mr. Freeman provided a General Fund update and described what makes up the General Fund. He provided a handout and presentation for Board members and reported that the FY 2013 estimated revenue is just over \$2.6 billion dollars. Public education makes up 61% or just over \$1.6 billion dollars. Mr. Freeman provided a recap of Fiscal Year 2013 as of November 2012 and indicated that the Division of Financial Management will release its new revenue estimate in early January 2013.

Mr. Freeman commented that there is a 4% hypothetical growth number being used which is the same as was provided to the new legislators. The information provided was based on all state agency requests that were submitted as of September 1, 2012.

For YTD revenue, Mr. Freeman reported that general fund revenue collections through November were 0.7% or \$7.9 million less than expected from the revised DFM forecast, adding that if the revised forecast holds, general fund revenues would grow at a rate of 2.9%, slightly off the forecast of 3.2%. He commented that the Governor's new revenue estimates for FY 2013 will be revised downward again to 2.7% or \$2,658 million. For FY 2014, it will be 5.2% or \$2,796 million. In conclusion of the report, Mr. Edmunds wanted to ensure clear communication to JFAC on what the Board's priorities are.

Unanimous consent was requested to recess the meeting until 8:00 Thursday morning. There were no objections.

Thursday December 13, 2012, 8:00 a.m., Lake Coeur d'Alene Room of the Student Union Building, North Idaho College in Coeur d'Alene, ID.

President Edmunds called the meeting to order at 8:00 a.m. He turned the time over to Mr. Browning from North Idaho College who introduced the North Idaho College Chamber Singers for the singing of the National Anthem.

OPEN FORUM

President Edmunds introduced Mr. Rick Jones to speak during open forum. Mr. Jones introduced himself as a counselor from Coeur d'Alene High School. He wanted to point out what he considers a policy problem with the current high school graduation requirement. The current requirement is that a SAT, ACT, or Compass Exam be taken prior to the end of the student's junior year. He pointed out there is no provision for if the student does not take the exam, or for the student who transfers to Idaho after their junior year. He encouraged the Board to add a provision to the policy for students to complete the test during their senior year. Mr. Edmunds thanked Mr. Jones for his comments.

Board President Edmunds acknowledged distinguished guest Senator John Goedde.

CONSENT AGENDA

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

1. Audit Contract – 6th Amendment

By unanimous consent to approve the 6th amendment to the audit contract between the State Board of Education and Moss Adams, LLP, as presented in Attachment 1.

2. Audit Committee: Mark Heil Reappointment

By unanimous consent to renew the appointment of Mark Heil as an outside member of the Audit Committee with a term expiring December 31, 2013.

3. Boise State University Foundation Operating Agreement

By unanimous consent to approve the memorandum of understanding between the Boise State University Foundation, Inc. and Boise State University as presented.

4. University of Idaho – Renewal of Lease to the US Geological Survey at the UI Research Park

By unanimous consent to approve the request by the University of Idaho for authority to enter into a lease with the US Geological Survey in substantial conformance to the form submitted to the Board in Attachment 1, and to authorize the University’s Vice President for Finance and Administration to execute the lease and any related transactional documents.

5. Quarterly Report: Programs and Changes Approved by the Executive Director

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

6. Idaho State University – Facility Naming

By unanimous consent to approve the request by Idaho State University to name two locations at ISU: The Carlos D. Jones Family Loge in the Jensen Grand Concert Hall and the Dr. Dale H. Magleby Specimen Preparation Room in the planned Anatomy and Physiology Lab at the Idaho State University Meridian Center.

7. Eastern Idaho Technical College – Facility Naming

By unanimous consent to approve the request by Eastern Idaho Technical College to name the technical building the William A. Robertson Building in recognition of the contributions Dr. Robertson has made to Eastern Idaho Technical College.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. North Idaho College (NIC) – Annual Report

North Idaho College President Joe Dunlap provided an overview of NIC’s progress in carrying out the College’s strategic plan. Dr. Dunlap indicated they would bring their Educational Master Plan to the Board for approval. He reviewed NIC’s regional foot print and commented that next year is the college’s 80th anniversary. He reported NIC has experienced 46% growth over the last five years and serves approximately 6,500 students on their main campus. There are other outreach centers in Sandpoint, Post Falls, Bonners Ferry, and Kellogg, and there is support of the Coeur d’Alene Tribe in Plummer. Dr. Dunlap also mentioned they serve a Head Start program in several north Idaho communities in addition to adult basic education programs along with support of the Agency on Aging in North Idaho.

Dr. Dunlap indicated their economic impact study showed NIC’s contribution is \$164.6 million to north Idaho. The average rate of return per student is about 16%. They show a 1% growth this year and they feel they have great opportunities in E-learning, dual credit and with their outreach centers. Dr. Dunlap indicated they have partnered with Avista to promote the development of entrepreneurs in the region.

Dr. Dunlap reported on student success and that they are very active in the area using multi-cultural and veteran's advisors. Their Phi Theta Kappa (PTK) has reached five-star level status and the INBRE program has been very successful. He indicated NIC will waive their admissions fee starting in the Fall of 2013.

Dr. Dunlap spoke of the collaborative efforts between NIC, CSI and CWI. He indicated that dual enrollment would be standardized between the three community colleges and that they are looking at changes regarding out-of-county tuition and working together with other community colleges to provide comparable data.

2. President's Council Report

President Bert Glandon from the College of Western Idaho, and current chair of the Presidents' Council gave a report on the recent activities of the Presidents' Council. He reported on the presentation by Idaho Business for Education (IBE) with Skip Oppenheimer and Bob Lokken and IBE's 3x3 plan which priorities are to address remediation, accountability, and truth in transparency. The President's Council also had a presentation from Doug Sayer, Chair of the iGEM Council, at which the conversation revolved around an understanding between the presidents and the iGEM Council to move forward with recommendations for the iGEM funds appropriated to Commerce. Dr. Glandon reported the presidents are having ongoing conversations with the provosts regarding the Regents Degree in the state, and are still looking toward a Fall 2013 delivery for this degree. The presidents discussed coordination of the legislative luncheons and how higher education can coordinate their message and have a more consistent approach in communicating with legislators.

3. Data Management Council (DMC) Bylaws and Update

BOARD ACTION

M/S (Westerberg/Atchley): To approve the Data Management Council bylaws as submitted. The motion carried unanimously.

Andy Mehl from the Board office gave a presentation for the Board members. He was joined by Vera McCrink and Ann Lewis from the Data Management Council (DMC). Mr. Mehl indicated there are 12 members of the Data Management Council made up from the State Department of Education (SDE), Professional-Technical Education (PTE), the institutions and a registrar from North Idaho College. The Council oversees the creation, development and maintenance of the P-20 SLDS system. Mr. Mehl shared the purpose and role of the Council and pointed out some accomplishments which included the SLDS document creation and posting of instructions, EDUID enhancement project, and data quality review requirements to name a few. Mr. Mehl also pointed out some issues involving the Council which included data quality, historical data, security and data use. He indicated the next steps for the DMC will revolve around getting into the data – such as how it is used, how to ensure reasonable accuracy, the continual review of security measures and how to optimize the collection.

Ms. Atchley asked about the research request website. Mr. Mehl described the process and commented that it allows anyone to make a request into the SLDS system for data and it is modeled after the work Virginia has done. Ms. Atchley asked about the security of the system. Mr. Mehl reported that the request must meet certain criteria to be considered a legitimate request of which security is a top priority. Mr. Soltman asked how complete and timely the data is. Mr. Mehl indicated that much of the 2011-2012 academic year data has been received and is being worked with presently.

4. Statewide Longitudinal Data System (SLDS) Update

Mr. Mehl provided a report to the Board starting with an overview of the SLDS landscape for Idaho and how data is uploaded. The data includes K-12, postsecondary, Department of Labor, and student clearinghouse data. The component linking K-12 to postsecondary is called the EDUID which stands for the education unique identifier and is critical in determining whether a student moves on or not. Mr. Mehl indicated that part of the SLDS Federal grant involves building a longitudinal data store that the Department of Labor will house which takes the unemployment insurance data and puts it into a longitudinal data store. This will also provide workforce outcome data on students; however the data will be limited.

Mr. Mehl provided information on the initiatives of the SLDS that include the National Student Clearinghouse, WICHE Multi-State Data Exchange (Washington, Oregon, Hawaii and Idaho), and the U.S. Department of Education grant. Mr. Mehl provided a timeline of the SLDS since its inception in 2010 through fiscal year 2015. Mr. Mehl discussed high school feedback reports and gave examples of how some students may not be captured in the report. He indicated the Board office receives student enrollment and graduation numbers from two sources – Idaho public postsecondary institutions and the National Student Clearinghouse. Students who have opted for private reports are not included in the data.

Mr. Mehl shared an example slide showing the class of 2005's postsecondary enrollment and progress. It showed 3,390 postsecondary graduates out of 13,254 students which provides an idea of what is going on with students in Idaho. Mr. Mehl provided advantages of using this data which include the ability to slice or mix the data to provide more thorough reports to look at it in a multitude of different ways. He also pointed out some issues with the data.

Mr. Soltman asked if all our institutions participate in the clearinghouse. Mr. Mehl reported that all public postsecondary institutions do participate, and the College of Idaho does not participate in sharing data to the clearinghouse at this time. The college will have data to submit going forward, but they will not have historical data.

Mr. Mehl elaborated on the proposed recommendations for changing phase three of the approach for the SLDS construction. He indicated that when the four phase plan was originally presented, phase three called for building a full-fledged data warehouse. Mr. Mehl currently feels that elaborate of a plan is not necessary to get the information to those who need to use it. He felt a summary level set of tables can be built on top of the SLDS data they are collecting which can be made available to satisfy requirements.

The phase three timeline is 2014 and phase four remains the same.

Mr. Luna asked if the DMC had been given a chance to review the proposed changes. Mr. Mehl responded that it has been discussed with the DMC and they also plan to discuss it at a deeper level with the institutions. Mr. Luna asked if the changes will go beyond regulatory compliance. Mr. Mehl responded that the data will be able to be drilled down to many levels to provide requested information without affecting FERPA issues. Dr. Rush asked how the model from Virginia is helping us. Mr. Mehl responded that the Virginia system provides the front end for requests which allows us to document everything along the way. It also publishes the data dictionary and allows the user to pick the list of fields they want to build ad-hoc queries. The Virginia system wraps the data together to give a clean interface in the system. He added that the Virginia system was built using federal funds so it is in the public domain and available to us, adding that they are looking to partner with us to transfer data to Idaho. Mr. Edmunds asked how soon mock-ups could be run through with the data available. Mr. Mehl responded that staff is ready to do that now.

The Board decided to not make any motion on this item today. Mr. Mehl will discuss it further with the DMC and the institutions, after which the item will return to the Board for approval. Dr. Rush publically thanked Mr. Mehl and the others for their work and accomplishment on this project.

5. Board Policy I.K. Naming/Memorializing Building and Facilities – 1st Reading

M/S (Soltman/Atchley): To approve the first reading of Board Policy I.K. Naming/Memorializing Building and Facilities as submitted. The motion carried unanimously.

Ms. Bent indicated the proposed amendment would clarify the wording in the policy and align it with current practices. Mr. Lewis commented that with regard to the definition of delegation and authority, you can't have delegation without authority. Ms. Bent clarified the changes for Mr. Lewis and indicated those changes would be made for the second reading.

6. President Approved Alcohol Permits

Board staff has prepared a brief listing of the permits issued for use. The list was provided in the agenda materials for the Board's review.

STATE DEPARTMENT OF EDUCATION

1. Schoolnet Instructional Management System

Mr. Luna introduced Alex MacDonald, Director of Instructional Technology from the Department of Education, who provided a report on the Idaho System for Education Excellence (ISEE) Phase II: Schoolnet program which is an instructional management system. Mr. MacDonald reported that with Schoolnet, SLDS data can be used to improve student achievement. Schoolnet was selected by a group of education

stakeholders in May 2010 after reviewing several other instructional management systems. It is currently funded through a grant from the J.A. and Kathryn Albertson Foundation. He reported that every teacher in Idaho has access to Schoolnet and the Department also provides additional training and support to 15 grantee districts.

Mr. MacDonald commented that Schoolnet is a “digital backpack” for every student that contains ISAT results, deconstructed content standards, and student key performance indicators to name a few. Schoolnet contains administrator dashboards, teacher portals and parent portals. Mr. MacDonald provided a visual of what Schoolnet looks like for teachers and how digital content can be accessed and linked to their classrooms through different partner applications. Instructional practices can be structured based on this data as well and it shows how the student is doing academically over time. The Department is addressing the Idaho common core standards and preparing to implement those with Schoolnet. Schoolnet also assists with the creation of curriculum guides, and lesson plans and materials can be aligned to various standards. The assessment platform is on-line for student testing which greatly reduces the amount of time spent for teachers grading papers. There are also security measures and permission levels implemented as to not violate any privacy laws or concerns.

Ms. Atchley asked if the system is linked to the longitudinal data system. Mr. MacDonald indicated it is linked to the ISEE data system. The system links teachers to students to courses to outcomes and the information is mobile and can be accessed if a student changes schools and moves into a different district.

Mr. Edmunds asked if we are scratching the surface of technology in schools and if we know the numbers and costs associated with providing this information to all teachers. Mr. Luna responded they have invested in a system that provides student level data. He indicated he would give a more thorough response in his Superintendent’s update as a result of the propositions failing during the November vote. There was further discussion about funding spent on technology and the sharing of data. Mr. Mehl will be working with Department staff on the data sharing.

Mr. Edmunds asked how long the funding from the J.A. and Kathryn Albertson Foundation will last. Mr. Luna responded that the funding was for initial start-up and that there are on-going costs in excess of \$2 million that will need to be addressed going forward. Dr. Goesling asked about the parent portal. Mr. MacDonald responded that parents are able to see their own child only and where that child ranks with others, and what areas the child excels in or needs help in. Mr. Luna invited Board members to attend a classroom where this technology is being used and followed up by saying it frees up teacher time to spend more time with students.

2. Superintendent's Update

Superintendent Luna provided information on the ramifications of the repeal of the Students Come First laws. He started by reviewing each of the propositions and provided a summary for each of the components contained under the propositions. He also identified the investments in education reform related to the propositions and indicated the way the money is allocated in the future remains to be determined. Mr. Luna summarized where we are today with the repeal of these laws.

He reported for Proposition 1, tenure is reinstated so a teacher achieves tenure after three years. Master agreements and evergreen clauses are back for 2013 negotiations – this includes contracts not being reviewed annually. Seniority is back in force and employment decisions are based on who has been there the longest. Parent input and student achievement will no longer be a part of teacher evaluations. For Proposition 2, money allocated in this year's budget and proposed budget is uncertain moving forward. For Proposition 3, the "use it or lose it" flexibility has been eliminated which has a \$25 million dollar impact on our schools this year. Classroom technology funding is uncertain in what districts can do with funds. Mr. Luna pointed out that money not yet distributed will not be distributed – i.e., the first half was distributed and the 2nd half will not be. Dual credit for early completers is compromised as the state will not be able to pay for it and additional funding for math and science teachers will be going away. He indicated that part of Proposition 3 allowed for the development of an online clearinghouse and those funds are now gone. He added that minimum teacher salaries remain at their current level and one-to-one mobile computing funds have also been compromised.

Mr. Luna reported the fiscal impact from the propositions failing is at least \$40 million of the Department's current appropriation. A portion is offset, at \$14,789,200 but there is a \$22,387,700 net loss for school funding for the current year. He reported that for the next fiscal year, funding shortfalls are even greater and the impact of where we are today is far more complicated than many realize. Mr. Luna indicated there will be much work ahead with the legislature to address the uncertainties going forward.

3. Temporary and Proposed Rule - IDAPA 08.02.01.151, Rules Governing Administration, Negotiations

BOARD ACTION

M/S (Luna/Goesling): To approve the temporary and proposed rule change to IDAPA 08.02.01.151, Rules Governing Administration, Negotiations, as submitted.
The motion carried unanimously.

4. Temporary and Proposed Rule- IDAPA 08.02.02.120, Rules Governing Uniformity, Local District Evaluation Policy

Mr. Luna provided some background on the change related to this rule. He indicated that with the repeal of Students Come First, it removes the rule but the contracts that teachers and administrators are currently working under through the end of this fiscal

year would still be in force. Those contracts require that evaluations be tied to student achievement and parental input is part of the evaluation. Mr. Westerberg requested unanimous consent to return this item to the Department for additional work and study and to return it to the Board at a later time. There were no objections.

AUDIT

1. FY 2012 Financial Statements Review

BOARD ACTION

M/S (Atchley/Westerberg): I move to accept from the Audit Committee the Fiscal Year 2012 financial audit reports for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College, as presented by Moss Adams LLP. The motion carried unanimously.

Mary Case from Moss Adams provided a report to the Board on the results of the financial audits for of Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College. FY 2012 is the eighth year that Moss Adams has conducted audits of the financial statements for the colleges and universities. The audits are conducted in accordance with Generally Accepted Government Auditing standards and include an auditor's opinion on the basic financial statements. Ms. Case reported that there was one finding regarding EITC that was corrected during the audit process. Ms. Case indicated the audits went very smoothly with outstanding cooperation and effort from all institutions.

Ms. Atchley pointed out that the community colleges have their own audit boards who conduct audits of those colleges.

2. FY 2012 College and Universities' Financial Ratios

Mr. Edmunds requested a brief description of the measures used in this report. Mr. Freeman indicated that these ratios were developed by the Board in a work session several years ago and are industry standard ratios. The ratios look at institution and foundation finances.

Mr. Edmunds asked if we are relying on this data to demonstrate the financial health of the institution. Ms. Atchley reported in the affirmative. Mr. Lewis commented the Board should have one set of metrics to look at on a regular basis to understand the financial health of the institutions. Mr. Freeman asked the institutions if they use these ratios when they meet with their rating agencies. The institution representatives responded that the ratios are just one piece requested by the rating agencies. Mr. Soltman asked for input from Moss Adams. Ms. Case indicated that trending is the critical factor to look at on the dashboard of key performance indicators. Mr. Edmunds asked for the item to be returned to the BAHF Committee for further evaluation. Ms. Atchley recommended having a similar set of key performance indicators that will be regularly reported on by the institutions. Mr. Freeman responded that the institutions

are presently working on quarterly reports. The vice presidents of finance from the institutions provided a brief analysis of their FY 2012 financial ratios. This information was also provided with the agenda materials to the Board members.

3. Board Policy V.Y. – Compliance Programs – Second Reading

BOARD ACTION

M/S (Atchley/Lewis): To approve the second reading of the proposed new section, Board Policy V.Y., as presented in attachment 1. The motion carried unanimously.

At this time, the meeting recessed for a lunch break until 12:30.

BUSINESS AFFAIRS & HUMAN RESOURCES

Section I – Human Resources

1. Amendment to Board Policy – Section II.G. – Policies Regarding Faculty – Second Reading

BOARD ACTION

M/S (Westerberg/Soltman): To approve the second reading of amendments to Board Policy II.G. Policies Regarding Faculty (Institutional Faculty Only) as presented. The motion carried unanimously.

2. Amendment to Board Policy – Section II.H. – Coaching Personnel – Second Reading

Mr. Lewis expressed concern with allowing consecutive one-year contracts. President Nellis responded by commenting on the commitment to student athletes and coaches, encouraging flexibility with selected cases. Mr. Freeman indicated that in order to address the concern of Mr. Lewis a cap could be established for the consecutive renewal of contracts. Mr. Lewis added that a monetary cap would be appropriate as well.

There was continued discussion on the item and regarding the wording of the policy. Mr. Westerberg requested unanimous consent to return the item back to the Athletics Committee for further work and discussion. There were no objections.

3. Boise State University – Multi-Year Employment Agreement – Neil Resnick, Co-Head Women's Gymnastics Coach

BOARD ACTION

M/S (Westerberg/Goesling): To approve the request by Boise State University to enter into the employment contract with Neil Resnick, as Co-Head Women's Gymnastics Coach as set forth in the materials presented to the Board, in substantial conformance with the terms of contract set forth in Attachment 1. The

motion carried unanimously.

Dr. Goesling recommended converting from a percent to a numeric value in the area of academic scores to provide a clearer picture of how a coach is performing in that area.

4. Boise State University – Amendment to Boise State University Supplemental Pension Plan

BOARD ACTION

M/S (Westerberg/Atchley): To approve the request by Boise State University to adopt the First Amendment to the Supplemental Pension Plan, to authorize the University to select any future annuity contracts in accordance with Plan provisions, to seek a determination letter for the Plan, to adopt any reasonable amendments requested by the Internal Revenue Service as a condition of granting a favorable determination letter and to authorize the Vice President for Finance and Administration to execute all necessary related documents.

The Board cannot comment on the tax consequences of the supplemental pension plan pending IRS action. No assurances or guarantees are made regarding the performance of any investment product selected for this Supplemental Pension Plan. The motion carried unanimously.

Mr. Kevin Satterlee indicated this is a request by Boise State University (BSU) to approve an amendment to its Supplemental Pension Plan for Chris Peterson. He commented that BSU also requests authorization to select future annuity contracts in accordance with plan provisions and to make plan amendments as required by the IRS as a condition of granting a favorable determination letter of the plan.

5. Boise State University – Salary Continuation Benefit for Adjunct Faculty

BOARD ACTION

M/S (Westerberg/Goesling): To approve the request by Boise State University to establish a limited salary continuation benefit for adjunct faculty in the event of absence due to unforeseen illness or injury. The motion carried unanimously.

Ms. Pearson provided a statement to the Board that this is a request by BSU to approve the establishment of a limited fringe benefit for awarding sick leave to adjunct faculty, with an aim towards enhancing recruitment and retention. The fiscal impact would be largely budget-neutral because adjunct salary is already budgeted for an entire semester. The request is intended to improve benefits for adjunct faculty.

Mr. Westerberg asked what other institutions are doing in a similar setting. Ms. Pearson responded they are not certain what the other institutions are doing. Ms. Pearson added that two weeks seems to be what the majority of the requests are and that the financial impact is minimal. The financial vice presidents from the other institutions provided comments regarding the motion. Summarily they indicated they do not provide

any such benefit, that adjunct faculty issues are dealt with on a case by case basis and thus far there have been no problems. Adjunct faculty are responsible for finding a substitute in the event they are ill.

6. University of Idaho – Multi-Year Employment Agreement – Jeff Beaman, Director of Tennis

BOARD ACTION

M/S (Westerberg/Atchley): To approve the request by the University of Idaho to extend the university's employment contract with Jeff Beaman, as Director of Tennis, for a term commencing on the expiration of the existing contract and expiring on June 30, 2015 with an annual base salary of \$37,003.20 and such contingent base salary increases, annual media payments, and incentive/supplemental compensation provisions as set forth in the materials presented to the Board, in substantial conformance with the terms of contract set forth in Attachment 1. The motion carried unanimously.

Mr. Lewis commented that academic achievement incentive seems low and should be higher. Mr. Smith from the University of Idaho responded those incentives are based on the salary amount and is consistent with other coaches. Mr. Lewis recommended that if it is proportional that there should be consistency between contracts with regard to academic achievement and suggested amending the policy.

BUSINESS AFFAIRS & HUMAN RESOURCES

Section II – Finance

1. Performance Based Funding Initiative (PBF)

BOARD ACTION

M/S (Westerberg/): To approve the institution-specific metrics and respective baselines and goals to be used as part of a performance-based funding initiative, as presented in Attachments 1 through 4. The motion failed due to lack of a second. This item was returned to the BAHHR committee for further discussion and work.

Mr. Westerberg pointed out the previous work on this item and clarified the intent of today's motion is to approve the institutional goals. Mr. Westerberg asked the financial vice presidents to come forward for discussion. The detailed performance based funding measures for each institution were provided to Board members in their agenda materials.

Ms. Pearson from BSU provided comments for the Board on their performance metrics, indicating they were comfortable with them. She reported that they have not discussed the details with the other institutions. Mr. Edmunds asked what the objective is with using the metrics to measure institutions' performance and if the measures will accomplish this. Mr. Westerberg questioned the amount of stretch for the institutions.

Mr. Freeman indicated they asked institutions for a quality and a progress measure and the other two measures were up to the institutions' discretion. Mr. Freeman felt the recommended measures provided by the institutions were adequate for measuring outcomes. Ms. Pearson added that their measures are based on their strategic plan and this is where they would start with the understanding they would distinguish areas for adjustment as they move along. She summarized the measures for BSU.

Dr. Goesling commented that there should be more emphasis on retention rather than grad rates and that there may be redundancy in the goal. Ms. Pearson indicated they would discuss it at the campus level but they are comfortable with the goal.

Mr. Freeman recounted that the Board's system wide goal is total graduate production which does measure progress and that the goals are distinct.

There was lengthy discussion around the institution PBF metrics. Mr. Westerberg recommended the institutions state why the goal and whether it provides the appropriate stretch. Ms. Pearson summarized their particular measurements and explained why they felt those were appropriate for BSU. She indicated that these measures are top priorities based on their strategic plan and that they do stretch the university.

Mr. Lewis asked how the funding is allocated if the institutions all have different goals. There was further discussion about the arrival of the goals for the institutions and whether the goals stretch each institution. Additionally, Board members discussed how to evaluate each institution. Mr. Westerberg indicated that the two universal goals are production of degrees and the cost per credit hour; these are the root of the measurements as both an efficiency piece and a production piece. The other two goals determined by the institutions are a goal that speaks to progress and one that speaks to quality. Ms. Atchley recommended seeing a connection between where the institutions set their goal and where they need to be against the 60% goal. Mr. Soltman suggested having a one year dry run on a parallel system with no money distributed in order to see where the progress is. Mr. Freeman commented that a year's worth of data has its benefits, but that the Board and legislature have significant interest to move this forward. Mr. Westerberg suggested using the two universal goals in the first year for the funding award, and to track the two institutional goals but not award based on the institution goals. The Board members agreed with this suggestion. There was agreement that more work needs to be done by the institutions around the goals and targets. Mr. Freeman indicated data is still being collected and it would likely be available at the February meeting for setting goals and targets.

Ms. Atchley cautioned the institutions on their University Learning Outcomes (ULOs) in that they need to be cautious not to make the outcomes too easy to accomplish if the institution is going to be able to obtain increased funding based on these goals. Mr. Edmunds recommended more information from the institutions on any internally generated goal that is non-measurable against other institutions.

Mr. Stratton summarized the measures and stretch for ISU. He summarized their two measures of quality, the measure of progress and measure of productivity and indicated

the measures are reasonably consistent with ISU's strategic plan. President Vailas commented that there is not an understanding of what the real costs of the 60% goal are. Mr. Soltman asked about the relevance of ISU's measures to the 60% goal. Mr. Stratton responded that not all of their measures are related to the 60% goal.

Mr. Ickes reported for the University of Idaho on their institutional measures and how they are consistent with the goals of the institution. Mr. Herbst reported from LCSC who emphasized their goals reflect the mission of the institution and are intended to complement the 60% goal. They feel their goals stretch the institution.

Mr. Lewis commented that maintenance above the national average may be something to consider for the institutions. It was determined that this item should be returned to the BAHR committee for additional discussion and work.

2. Amendments to Board Policy – Sections V.A., V.C., & V.Q. – Misc. Receipts – First Reading

BOARD ACTION

M/S (Westerberg/Soltman): To approve the first reading of proposed revisions to Board Policy Section V.A., General Authority, Responsibilities, and Definitions, as presented in Attachment 1. The motion carried unanimously. Ms. Atchley was not present for voting.

M/S (Westerberg/Soltman): To approve the first reading of proposed revisions to Board Policy Section V.C., Spending Authority, as presented in Attachment 2. The motion carried unanimously. Ms. Atchley was not present for voting.

M/S (Westerberg/Soltman): To approve the first reading of proposed deletion of Board Policy Section V.Q., Deposits and Miscellaneous Receipts Accounts, as presented in Attachment 3. The motion carried unanimously. Ms. Atchley was not present for voting.

3. Amendment to Board Policy – Sections V.R. – Establishment of Fees – First Reading

BOARD ACTION

M/S (Westerberg/Soltman): To approve the first reading of proposed amendments to Board policy Section V.R., Establishment of Fees, with all revisions as presented. The motion carried unanimously.

Mr. Freeman pointed out the changes to the policy for Board members. Mr. Lewis noted that the new student orientation fee may need to be included elsewhere. Ms. Pearson reported that the fee is charged one time to all first-time, full-time degree seeking students. Dr. Schimpf reported that there was a new student orientation program which is where this fee originated from.

4. FY 2012 Net Assets Report

A report on the FY 2012 College and Universities' Net Asset Balances was provided to the Board members in their agenda materials. There was some discussion around the Board set target of 5%.

5. Boise State University – Professional Fee – Respiratory Care Program

BOARD ACTION

M/S (Westerberg/): To approve the request by Boise State University to designate a professional fee for sophomore and junior students in the Respiratory Care Program in the amount of \$400 per semester in conformance with the attachments hereto. The motion failed due to lack of a second.

Ms. Pearson provided a summary of the program and introduced Dr. Tim Dunnigan, Dean of the College of Health Sciences, to provide answer any questions on additional information and report on the need for the program.

Mr. Lewis asked about assessing a professional fee for this course and asked how the program would qualify in the category of high level expert degree or profession. He felt it is more of an associate's level program being taken to a bachelor's level program. Ms. Pearson responded that the demand for the program, licensure requirements and extraordinary program costs meet the criteria required. Dr. Dunnigan added that the costs are significant because of the equipment used for the program. Mr. Lewis suggested it would be more appropriate to apply a special course fee for the program instead of categorizing it as a professional course fee.

6. Boise State University – Professional Fee – Radiologic Sciences Program

BOARD ACTION

M/S (Westerberg/): To approve the request by Boise State University to designate a professional fee for sophomore, junior and senior students in the Radiologic Sciences Program in the amount of \$400 per semester in conformance with the attachments hereto. The motion failed due to lack of a second.

7. Boise State University – KBSU Boise State Public Radio Renovation and Improvements

BOARD ACTION

M/S (Westerberg/Soltman): To approve the request by Boise State University to proceed with construction of the KBSU Boise State Public Radio Renovation and improvements at the Yanke Family Research Park for a total project cost not to exceed \$1,115,000. The motion carried unanimously.

Ms. Pearson provided a brief summary of this item indicating that BSU received Board approval to proceed with planning and design for this project in October 2011. Pursuant to Board policy V.K.3., BSU is now seeking approval of the project budget and financing plan, and to proceed with construction. Source of funds for the project is 100% institutional funds. Since Boise State Public Radio is an auxiliary enterprise, this space will not be eligible for occupancy costs from the State.

8. Boise State University – Downtown Property Purchase

BOARD ACTION

M/S (Westerberg/Atchley): To approve the request by Boise State University to purchase parcel R0190720070 located at 301 S. Capitol Blvd, commonly known as Unit 6 of the Agora Condominiums of BoDo, for an amount not to exceed \$1,650,000, plus all required closing costs normally associated with the buyer, and an additional \$50,000 for the purchase of all existing furniture, fixtures, equipment and tenant improvements; and further, to authorize the Vice President for Finance and Administration to execute all necessary transaction documents for closing the purchase. A roll call vote was taken and the motion carried with a four-to-three vote in favor of the motion. Dr. Goesling, Mr. Soltman and Mr. Westerberg voted nay on the motion.

Ms. Pearson provided background for this item and a summary of the request for the Board. Stacy Pearson provided the Board with more details on its intended use for the property and after financial analysis was completed, the university determined they would like to move forward with its purchase. They would be able to regain the investment in this property in nine years.

Mr. Soltman asked where it fits in the master plan of the campus. Ms. Pearson responded this is more in their strategic planning for meeting additional space and their property procurement plan for obtaining property off campus. Ms. Pearson responded to a few additional questions related to the location of the property. Dr. Goesling asked about the high debt load of the university. Ms. Pearson clarified that there would be no additional debt for this transaction.

9. University of Idaho – Planning and Design Authorization, Integrated Research & Innovation Center

BOARD ACTION

M/S (Westerberg/Soltman): To approve the request by the University of Idaho to implement the Planning and Design Phase for the Integrated Research & Innovations Center, and to expend up to \$3.6M, using institutional reserves, and also to repay these reserves with bond proceeds at a later date. The motion carried unanimously.

10. University of Idaho – Modification of Indenture Agreement with University of Idaho Foundation – Consolidated Investment Trust

BOARD ACTION

M/S (Westerberg/Lewis): To approve the request by the University of Idaho to release certain restrictions on assets transferred to the University of Idaho Foundation pursuant to an Indenture Agreement dated May 20, 1975, and to authorize and instruct the Vice President of Finance and Administration and Bursar of the University of Idaho to execute a Release and Waiver of Rights and Restrictions in substantial conformance to the form provided in Attachment 3 of the materials presented to the Board. The motion carried unanimously.

At this time, Mr. Luna and Mr. Lewis were excused from the meeting.

INSTRUCTION, RESEARCH & STUDENT AFFAIRS

1. Idaho State University – Ph.D. in Geosciences Proposal

BOARD ACTION

M/S (Westerberg/Goesling): To approve the request by Idaho State University to offer a new Ph.D., in Geosciences. The motion carried with a three-to-two vote. Ms. Atchley and Mr. Soltman voted nay on the motion.

M/S (Westerberg/Atchley): To approve the Memorandum of Understanding between Idaho State University, Boise State University, and the University of Idaho as presented, in substantial conformance to the form submitted as attachment 2 with the effective date of the Memorandum of Understanding changed to December 13, 2012. The motion carried unanimously.

Mr. Soltman asked Board staff if during the discussion of this item the decision by the Council on Academic Affairs Programs (CAAP) was split. Ms. Bent indicated CAAP had asked that ISU conduct further discussion on the potential for collaboration. Ms. Adamcik confirmed there was additional information requested by ISU and the vote was split on the issue. She indicated that an MOU was created and signed by all three institutions. Ms. Atchley indicated the MOU appeared to be very vague and she

recommended it be more specific as to who is responsible for what.

Ms. Adamcik responded that the three institutions have a history of collaboration and that each institution has recognized strengths that need not be duplicated. Ms. Atchley added that there was broad information related to the degree that was very vague and not substantiated such as with labor or other statistics.

2. Idaho State University – Ph.D. in Social and Environmental Dynamics

BOARD ACTION

M/S (Westerberg/Goesling): To approve the request by Idaho State University to offer a new interdisciplinary Ph.D. in Social and Environmental Dynamics. The motion failed with a three-to-two vote in opposition to the motion. Ms. Atchley, Mr. Soltman and Mr. Westerberg voted nay on the motion.

Dr. Adamcik provided a summary for this program that it draws from three different colleges and eleven departments. Students will enter this program with a master's degree and take two new courses in the first year, then the students will select 18 credits and six electives to support whatever track they choose in terms of the research they will do, after which they will spend 30 credits working on their dissertation research. Dr. Woodworth-Ney added additional comments in support of this program.

Mr. Soltman expressed reservation about the sustainability of this program. Dr. Adamcik responded that it will be an attractive option for students to transfer into this Ph.D. program. Dr. Goesling asked for a review of the costs. Dr. Adamcik responded that there is no new faculty or funding needed and the program will be done within the current offering of courses. Ms. Atchley expressed frustration with contradictory language in this proposal. President Vailas commented this directive came from a push from the National Science Foundation.

Mr. Westerberg questioned the ancillary costs of adding a Ph.D. program. Dr. Woodworth-Ney responded that this program is not cost neutral and commented on the students who are supported by external funding connected to fields that will be involved with this program. She further indicated that once the students are working in this program they will be eligible to apply for grant funding that will support those five students and that as the program evolves it will be supported by the faculty working in it. She added that they perceive the demand will be higher in the long term. Mr. Westerberg expressed his continued concern that a clear picture of costs has not been identified yet.

3. Boise State University – Online MBA Program**BOARD ACTION**

M/S (Westerberg/Soltman): To approve the request by Boise State University to create a new online, self-support Master of Business Administration program and to approve the contract for services with Academic Partnerships, LLC. The motion carried unanimously.

Dr. Schimpf introduced the item and provided a brief summary indicating that BSU proposes to expand its Master of Business Administration (MBA) program offerings to an all on-line format through a partnership with a firm called Academic Partnerships LLC. This firm is an established private enterprise that works with public institutions to offer a number of degree programs. The proposed program will have essentially the same content of the existing program and will be self-supporting, with no state appropriated funds being used. Program revenues will cover administrative, instructional, and operating costs and the proposed online option will not replace existing MBA programs which are currently taught face-to-face.

He introduced Dr. Kirk Smith, the Associate Dean of the College of Business and Economics. Mr. Smith developed the business model for the program.

Mr. Soltman questioned why they chose to use a partner to deliver the program instead of doing it through the university, indicating the fees would likely be higher with a second party involved. Dr. Schimpf went through the course fees for the Board members, and added that Academic Partnerships LLC brings additional resources to the program that BSU does not have such as on-line course designers. He added BSU does offer the program face to face and it costs nearly double for the on-line version of the course. Mr. Edmunds asked what the Instruction, Research and Student Affairs (IRSA) Committee's position was on this item. Mr. Westerberg responded that IRSA did not take a position on it. Mr. Edmunds asked about the exit clause with Academic Partnerships LLC. Mr. Smith responded that BSU has a five year contract with a two-year-notice exit clause. There is also a 60 day failure to perform notice in the clause. Dr. Goesling asked what attrition they anticipate with this course. Dr. Schimpf indicated that a certain portion of their face to face students will prefer the on-line course, but that number would be difficult to predict. He commented that BSU hopes to provide increased access to those students who cannot make it to a face to face class and increase enrollments at the university.

Mr. Westerberg questioned the cost of the program and asked if they have overpriced it. Dr. Schimpf responded that they have done a thorough cost analysis on this program and that they would be able to survive with half of the projected student number used in the model. If the enrollments do not pan out, they will not hire the additional faculty required and they will cancel the contract with Academic Partnerships LLC.

Ms. Atchley reminded the university about collaborative efforts with other institutions offering MBA programs. Dr. Schimpf responded positively regarding collaboration with other institutions, indicating they hoped to share faculty expertise as well. Mr.

Westerberg indicated that there were some legal questions from Board staff that would need to be addressed by Boise State and that he would move forward with the motion with the understanding that those questions would be addressed.

4. Board Policy III.V. Statewide Articulation and Associate Degree, and Board Policy III.N. Private, In-state, Out-of-state – Second Reading

BOARD ACTION

M/S (Westerberg/Soltman): To approve the second reading of amendments to Board Policy III.N. Private, In-state, Out-of-state, Non-Accredited Institution and Other Educational Source Offerings as presented. The motion carried unanimously.

AND

M/S (Westerberg/Soltman): To approve the second reading of the amendments to Board Policy III. V. Statewide Articulation and Associate Degree as presented. The motion carried unanimously.

Ms. Atchley asked how this will relate to the core curriculum reforms that have already taken place at the University of Idaho and Boise State University. Ms. Bent indicated this motion allows them to take place, and as the general education reform initiative is completed additional changes will come forward in this policy that are in alignment with that initiative.

5. Board Policy III.AA. Idaho Rural Physician Incentive Program – Second Reading

BOARD ACTION

M/S (Westerberg/Atchley): To approve the second reading of policy amendments to Board Policy III.AA. Accountability Oversight Committee as submitted. The motion carried unanimously.

6. Board Policy III.AB. Accountability Oversight Committee – Second Reading

BOARD ACTION

M/S (Westerberg/Atchley): To approve the second reading of amendments to Board policy repealing Section III. AB. Rural Physician Incentive Program Oversight Committee as submitted. The motion carried unanimously.

OTHER BUSINESS

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

M/S (Soltman/Goesling): To adjourn at 4:20 p.m. PST. The motion carried unanimously.

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