



**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**

**APPROVED MINUTES
STATE BOARD OF EDUCATION
February 20-21, 2013
Boise State University
Student Union Building
Boise, Idaho**

A regularly scheduled meeting of the State Board of Education was held February 20-21, 2013 at Boise State University in Boise, Idaho.

Present:

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

Milford Terrell
Bill Goesling
Rod Lewis
Tom Luna, State Superintendent

Wednesday, February 20, 2013

The Board met in the Simplot Ballroom of the Student Union Building at Boise State University in Boise, Idaho. Board President Ken Edmunds called the meeting to order at 1:00 pm. Mr. Westerberg introduced the work session which was led by Selena Grace from the Board office.

WORKSESSION

A. Complete College Idaho Plan (CCI Plan)

Ms. Grace provided an overview of the Complete College Idaho Plan and its evolution, identified its five key strategies, and the initiatives within each of the key strategies. The five strategies are 1) strengthen pipeline, 2) transform remediation, 3) structure for success, 4) reward progress and completion, and 5) leverage partnerships. Ms. Grace identified each of the initiatives for the five key strategies and provided a recap of the activities supporting the strategies. Ms. Grace indicated there has been a shift in terminology from the *Common Core Standards* to the *Idaho Core* and provided some examples of the work surrounding the Idaho Core.

Ms. Grace indicated at a June 2010 Special Board meeting the Board approved Idaho's participation in the Smarter Balanced Assessment Consortium, with full support of all of the public postsecondary institution presidents, adding that the Smarter Balanced Assessment will also play an important role in the Complete College Idaho plan. There are three smarter balanced models which include a summative assessment, an interim assessment and formative processes and tools of which staff are in the process of reviewing the details of each model. Grades 3-12 are supported in some form by one or more of the models.

Ms. Grace indicated the pilot test opportunities will be important for our state to participate in. She noted that one of the outstanding questions is how we will sustain the tests and how they will be paid for, and that there are many questions yet to be answered on how it will be organized and administered. She provided that Idaho is currently looking at three models: a 5013c, a university or state affiliation model, and a statutorily created new inner-state entity. Presently, the preference is leaning toward a university or a state affiliation model. She reiterated that there is a lot of discovery work being done presently for the unanswered questions about the model including fact gathering and building out the plan. She indicated the State Department of Education is heading up much of the work on it, adding that each of the institutions for higher education have a representative working on it as well.

There was some discussion about how it would be organized within our state and that the Smarter Balanced Consortium includes a number of states across the nation. Ms. Grace pointed out that Idaho is trying to partner with other states for implementation. Mr. Lewis wanted to know who is implementing these programs. Ms. Grace responded it is the State Department of Education and that once the assessment piece is developed, it will replace the ISAT. Dr. Rush clarified that the Smarter Balanced Consortium formally invited the higher education boards to participate in the development of the tests because they want the higher education folks to accept that as part of their entrance procedures.

Ms. Grace went on to discuss the statewide initiatives related to strengthening the pipeline. One of the initiatives is a collaborative counselor training initiative. Mr. Lewis asked if it was our intent to promulgate Board rule to require completion of the counselor training course. Ms. Grace indicated those discussions have not taken place. Ms. Grace redirected the question back to the Board about counselor training, indicating she is seeking guidance and feedback on this subject.

Ms. Grace commented on the Near Peer Mentoring Program, which is funded through the College Access Challenge Grant (CACG), where recent college graduates are placed in schools to provide one-on-one guidance to students navigating the postsecondary education process. They also help students with vocational exploration using the Idaho Career Information System as their primary tool. The Near Peer mentors are tracking their interactions with students and staff is evaluating their process to consider the feasibility of the program. There is a concern that when the CACG is no

longer funded, the program will not be sustainable if the cost is passed on to the districts.

Ms. Grace indicated that the third initiative in supporting strengthening the pipeline includes tech prep, dual credit and 2+2 opportunities, and that work is being done to improve management and delivery of the tech prep and dual credit programs.

Ms. Grace went on to discuss the second piece of the CCI Plan which is to transform remediation. This section includes three initiatives which are to clarify and implement college and career readiness education assessment, develop a statewide model for transformation of remedial placement and support, and three models of support provided by the institutions. Ms. Grace commented that a key component of addressing the remedial need is implementation of the Idaho Core. She reported that Idaho's current standards aren't rigorous enough and implementation will help address remedial needs for students entering college from high school. It will not, however, address the needs of students who have been out of school for two or more years.

There was discussion around the Common Core and its affect on remediation. Ms. Grace indicated that part of the work with the general education core is determining which courses make up the post secondary general education courses and entry level college courses. Mr. Lewis indicated that unless you are addressing the courses required before postsecondary entry, that Common Core is not necessarily the answer to all problems. Dr. Rush described that for the Common Core, the standards will be the same for all students, along with the testing and threshold. Those students who have not taken the courses will score lower because they will not be prepared. The standards are based on international standards and the levels that students ought to accomplish, not just the courses they are taking. There was continued discussion surrounding the subject of Common Core standards and how it is defined so that that it addresses courses and competencies. Mr. Lewis remarked his concern remains that the Common Core still does not address all the issues and does not necessarily get Idaho students college ready. Dr. Rush indicated the generic standards to through the 10th grade and then they switch to a course-based standard measure at the 11th grade; therefore, the courses would need to be determined for these standards from 11th grade and up.

Ms. Grace went on to discuss assessment and placement, clarifying that it is related to placement and not admissions. The admission standards are established by the institutions and are unique to each institution. She discussed problems related to relying on standardized tests such as ACT, SAT and Compass which included lack of preparation by students, misalignment between test content and academic curriculum in college courses, and the use of a single measurement for placement. She indicated that in addressing the assessment and placement problems, the eight public institutions and the State Department of Education have identified a representative for Math and English that will work as part of an Assessment and Placement subgroup of the State Remediation Task Force on April 25-26. This group will evaluate current practices and standardized tests and begin the work to make recommendations for changes to current

policy and practice. In addition to revising practice, they hope to identify consistent and standardized practices for all public institutions.

Mr. Lewis asked if the entry requirements for all institutions would be the same. Ms. Grace responded that would not be the case for admissions, but for entrance into all credit bearing courses the requirements would be the same across institutions. Mr. Lewis asked if there was any comment from the institutions. Dr. Jeff Fox from the College of Southern Idaho responded that the outcomes and end of course competencies are of importance for transferability among institutions. Dr. Schimpf from Boise State added that institutions are trying to address this issue and are trying to assess and place students where they will be successful since placement is so critical to student retention. Ms. Grace then discussed the last piece under *Transforming Remediation* which is to modify delivery models of remedial education. She indicated the importance in this piece is being able to identify attrition points for students. Three models; a co-requisite, an accelerated and an emporium, have been identified and some of the institutions have already begun using them.

At this time, Chairman Westerberg excused the group for a 15 minute break.

Ms. Grace went on to discuss the third strategy in the CCI Plan which is *Structure for Success*, a key initiative of which is to communicate strong, clear, and guaranteed statewide articulation and transfer options. Ms. Grace described some activities included in that initiative such as improving transferability and integration of Professional-Technical Education (PTE) courses into advanced degree requirements, and establishing appropriate policies and procedures to allow for reverse transfer options for students to name a few. She also commented that the long-term plan of the General Education Reform extends beyond the General Education Core to the degree level, and proposes to engage employers and key stakeholders to help map the appropriate career pathways for students. Mr. Lewis asked about the connections between these efforts and the goals of the Board. Ms. Grace responded that we are building a pathway and enhancing transferability between secondary and postsecondary education which includes faculty and department chair recommendations and partnerships. Dr. Schimpf echoed how transferability is an important item for Boise State and other institutions.

Ms. Grace went on to discuss the fourth strategy in the CCI Plan which is to reward progress and completion. This strategy includes initiatives such as establishing metrics and accountability tied to institutional mission, recognizing and rewarding performance, and redesigning the state's current offerings of financial support for postsecondary students. Ms. Grace reported on changes to the state scholarship program and that several will be consolidated into one to provide a higher impact to those receiving the scholarship. She identified the changes within the scholarships and provided a timeline for the changes. Mr. Lewis asked about where we are in comparison to other states in the provision of scholarships. Ms. Grace responded that data collection has been a key piece as well as information from WICHE, but that we have not done a great job of analyzing scholarships and their effectiveness to date. Mr. Lewis recommended some

in depth analysis to evaluate how scholarships make a difference in the state to increase go-on and retention rates. Mr. Edmunds also commented on the need for analysis and suggested referring the scholarship analysis piece to the CAAP committee.

Mr. Edmunds asked for a recap on what each committee is working on and what their priorities are, then to get the Board's feedback in determining which priorities need to be accomplished during the present year.

Moving on, Ms. Grace discussed the fifth and final strategy of the CCI Plan which is to leverage partnerships. This strategy includes three initiatives that support collaboration with the education and business communities. Ms. Grace highlighted some efforts from the University of Idaho, Idaho State University, Boise State University and Lewis-Clark State College. Additionally, Ms. Grace proposed the Board support her request in pursuing an in-state completion academy that will support the institutions in developing campus-level completion plans that are targeted and aligned with Complete College America (CCA) and the Complete College Idaho Plan. She reported on some advantages for the institutions' participation. She indicated that the state team had participated in an intensive completion academy to develop the Complete College Idaho Plan and discussed the service that Complete College America provides, indicating that they provide half the funding for the cost of the Completion Academy. Ms. Grace asked if there was Board support for the institutions to pursue the Completion Academy of Complete College America. She indicated it would provide institutions with national experts in targeted areas to provide resources and expertise for each of the campuses to develop completion plans. Those who would be involved are institution presidents, financial vice presidents, provosts or faculty representatives. The cost would be approximately \$100-\$120 thousand where the Board would come up with half of that amount.

Mr. Edmunds asked where in the funding scale does this rank in terms of other funding requests, considering how many other important items remain unfunded. Ms. Grace responded that it would be offered as a tool and opportunity to use external resources for expertise on where and how they focus their efforts. Mr. Westerberg suggested hearing from the institutions. Dr. Adamcik from Idaho State University responded that they have done 90% of what they indicated they would do related to the 60% goal. She felt they are well on their way in working toward the 60% goal and indicated she did not have enough information on what Ms. Grace was proposing. Mr. Lewis asked about the outcomes of the academy. Ms. Grace responded it is a campus level targeted completion plan. There was discussion on whether this would be a useful tool for institutions. Mr. Westerberg recommended returning the item to the IRSA committee for discussion and discovery, and to assess priorities. There was further discussion about the CCI Plan and how prescriptive or directive the Board should be. Dr. Rush commented that all the Board is allowed to do is to create policy and set goals. With the CCI Plan, they have developed a framework and now need to help the institutions take it to the next level. He added that the Complete College America group is one of the best staffed at finding expertise, and have already helped tremendously with the CCI Plan; he felt it may be a good opportunity. Mr. Edmunds and Mr. Lewis recommended

sending a portion back to committee related to the metrics for the number of graduates it will take to meet the Board's goal.

B. Performance Based Funding

BOARD ACTION

M/S (Westerberg/Lewis): For the production metric that we include all degrees including graduate degrees. The motion carried unanimously.

Mr. Freeman from the Board office gave an overview for the Board members on performance based funding, reminding them that at the December meeting, the Board approved two system-wide metrics. Since that time, the BAHR committee has held meetings to refine those metrics and develop a model for allocating funds for that initiative. For FY 2014, the metrics will be refined as the initiative matures since it is a first year metric. He added that this is all new funding, so there is no base funding. Under the first metric BAHR focused on the number of distinct students receiving undergraduate awards in an effort to incent behavior at the institutions to produce more completers. This metric was weighted at 60% to the other metric of 40%. Mr. Freeman summarized the criteria for students reaching those metrics.

Dr. Goesling expressed that the uniqueness of the institutions is important and felt it should be rewarded. Mr. Terrell indicated those concerns would be looked at and responded to. Mr. Freeman indicated that the question for the Board is should the metric that is going to measure and reward production of distinct graduates be a baccalaureate degree or less, or should it be all students including masters, PhD and professional degrees for four-year institutions. Mr. Edmunds expressed concern about not including the community and technical colleges. Mr. Freeman responded that at the four-year institutions was the only place the funds were requested, and second the initiative is new and the desire was to launch it under the institutions the Board has direct governance over. Mr. Freeman added with regard to Professional-Technical, they already have a performance based funding calculation in their formula, so it would be duplicative. Mr. Westerberg suggested voting on whether to include graduate degrees. Representatives from the institutions responded that graduate degrees should be included. Mr. Herbst responded for Lewis-Clark State College that they would like technical and other certificates included in the count as well.

Mr. Lewis felt it would make sense to include undergraduate and graduate degrees. He added that EWA would be a good growth performance metric and should be looked at again. At this time Mr. Westerberg offered a motion.

EXECUTIVE SESSION (Closed to the Public)

Boise State University

BOARD ACTION

M/S (Soltman/Goesling): To go into Executive Session pursuant to Idaho Code §67-2345(1)(c) – “to conduct deliberations . . . to acquire an interest in real property which is not owned by a public agency”. A roll call vote was taken and the motion carried unanimously.

Board of Education

BOARD ACTION

M/S (Soltman/Goesling): To go into Executive Session pursuant to Idaho Code §67-2345(1)(d) and (f) – “to communicate with legal counsel ... to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated” and “to discuss records that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code.” A roll call vote was taken and the motion carried unanimously.

Thursday February 21, 2013, 8:00 a.m., Boise State University, Simplot Ballroom, Student Union Building, Boise, Idaho.

The Board convened at 8:00 a.m. at Boise State University in the Simplot Ballroom located in the Student Union Building for regular business. Board President Ken Edmunds called the meeting to order. Mr. Luna arrived at 8:15.

BOARDWORK

1. Agenda Review / Approval

BOARD ACTION

M/S (Soltman/Goesling): By unanimous consent the Board agreed to approve the agenda as submitted. There were no objections.

2. Minutes Review / Approval

BOARD ACTION

M/S (Soltman/Terrell): To approve the minutes from the December 4, 2012 special Board meeting and the December 12-13, 2013 regular Board meeting as submitted. The motion carried unanimously.

3. Rolling Calendar

BOARD ACTION

M/S (Soltman/Atchley): To set February 26-27, 2014 as the date and Boise State University as the location for the February 2014 regularly scheduled Board meeting. The motion carried unanimously.

OPEN FORUM

Mr. Edmunds introduced Laurie Kiester, a teacher, who came before the Board regarding education reform and collaboration with higher education. She wanted to discuss the functionality and objective of the Board. Ms. Kiester expressed concern that the Board is more focused on postsecondary education and lack of supervision of the K12 system despite being tasked with oversight of all public education in Idaho. Ms. Kiester expressed strong concern for the lack of participation in the supervision of Idaho's K12 system. Ms. Kiester indicated that over the past six years, she has designed a system of a better way to structure education in Idaho, from kindergarten through college. She commented on the current education system operating in autonomy or silos, and indicated that children who come to elementary school are often unprepared to start their learning career. Ms. Kiester emphasized the lack of collaboration between components of learning from the pre-school level, to the elementary education level, and on to the high school and university level, commenting that as long as there is a lack of collaboration, students will not succeed. Ms. Kiester indicated she has a presentation she would like to provide for the Board or the Education Task Force that lasts about 45 minutes. She was encouraged to send any materials to the Board office or to the Department of Education.

CONSENT AGENDA

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

BAHR – SECTION II – FINANCE

1.Easement to Idaho Power Company at the University of Idaho's Kimberly Research & Extension Center

BOARD ACTION

By unanimous consent to approve the request by the University of Idaho for authority to grant an easement to Idaho Power 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 easement and any related transactional documents.

INSTRUCTIONAL RESEARCH & STUDENT AFFAIRS

2. Approval to Discontinue Professional-Technical Education Programs

BOARD ACTION

By unanimous consent to approve the request by Idaho State University to discontinue professional-technical education programs as presented in attachments 2 through 7.

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

BOARD ACTION

By unanimous consent to re-appoint Douglas Chadderdon to the Idaho Experimental Program to Stimulate Competitive Research Committee as a representative for the private sector, effective immediately, for a term of five (5) years, expiring June 30th, 2019.

By unanimous consent to re-appoint Jean'ne Shreeve to the Idaho Experimental Program to Stimulate Competitive Research Committee as a representative for the private sector, effective immediately, for a term of five (5) years, expiring June 30th, 2019.

4. Accountability Oversight Committee (Committee) Appointment

BOARD ACTION

By unanimous consent to approve the appointment of Spencer Barzee to the Accountability Oversight Committee for a term commencing immediately and ending on June 30, 2014.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. Boise State University – Annual Progress Report

BSU President Dr. Bob Kustra provided the Board with a progress report on Boise State University's strategic plan. He reported on the details of its implementation, status of university goals and objectives and other points of interest. Dr. Kustra discussed how they are using technology on campus, funding equity and administrative flexibility. He indicated they are using a system called OnlineColleges.net along with 11 other colleges as of September 2012. Dr. Kustra introduced Max Davis-Johnson and Dale Pike. Dr. Kustra offered some select statistics about the technology and mobile initiative such as 80 out of 150 general purpose classrooms have standardized technology. Mr. Davis-Johnson provided a video showing the highlights of their digital learning and classroom capture. He pointed out they also have an office called *The Zone* where students can bring their learning devices and get help. They are expanding the Boise State Experience to both mobile wireless and android. One of the goals is for students

to increase their learning experience by using their mobile devices. BSU hopes to change the way they approach learning to benefit students through a variety of experiences resulting in digital fluency. Dr. Kustra recognized several of the individuals and students who worked on the project and the video production that was presented to the Board members.

Dr. Kustra went on to remark about funding equity and provided a handout for Board members about funding equity and enrollment workload adjustment (EWA). He indicated it is a “double whammy” to BSU’s FY 2014 budget. He also discussed administrative flexibility, commenting that changing the system to allow all higher education entities optional access to administrative flexibility would streamline the system. He commented that it would enhance effectiveness in state administrative services and university operated services. There was a handout provided to Board members outlining the benefits of administrative flexibility for higher education. Dr. Kustra reminded the Board in 2010 that the Legislature gave the authority for BSU to use its own purchasing department and not have to go through the state purchasing department, adding that this bill is up for renewal this year and passed both houses of the Legislature thus far.

Ms. Atchley asked how the Board can help other institutions with an older infrastructure move toward the technology advancements BSU has achieved. Dr. Kustra responded the larger spaces are the areas to invest for technology. They also used funding from a subcommittee to “rehab” a building, adding that newer buildings provide more of an opportunity to do new things with technology than the older buildings.

2. President’s Council Report

Board member Soltman requested the institution presidents come forward for discussion of President’s Council Report. President Bert Glandon, current chair of the Presidents’ Council provided a report from the Presidents’ Council meetings and answered questions. He reported that at the last President’s Council they discussed four major items. They discussed reporting end of semester counts, the Regents degree and that elements are in place but still need to be coordinated. It was agreed upon that a statewide director is needed to coordinate these elements and that President Fernandez was charged with making contact with an individual regarding the possibility of acting as the statewide director. They also discussed general education reform and the 36 credit requirement and whether that could be reduced, along with what kind of implementations would take place. He indicated a statewide team will report to the provosts and the provosts will report back to the presidents when the specifics of that proposal are finalized. They also discussed the legislative luncheons, and that these luncheons were successful in reaching out to legislators and other stakeholders.

Dr. Glandon reported on the format of the President’s Council and that the community colleges meet separately for an hour before the entire group meets. This format helps them to achieve a focused based discussion to them get to the issues more quickly.

President Nellis reported for the 4 year colleges and universities. He reported that they discussed performance funding and how to incentivize a system that focuses on collaboration. They discussed a better system to report incidents on campus and how those are communicated with Board members. They established a procedure process with Dr. Rush for reporting incidents. They also discussed Denny Stevens' proposal around graduate education and collaboration with the Veterans Hospital. That topic was assigned to CAAP for further development.

Mr. Edmunds asked for some details on the Regents degree. Dr. Glandon responded the standardized general education requirements are in place, but there needs to be a coordinated effort to figure out how to make the cost low and the degree convenient. They are working on the specifics with the financial vice presidents and provosts presently.

Mr. Terrell asked if they are looking to BSU for ideas on how to tie into the digital learning systems in consideration of the older buildings and infrastructure. Dr. Glandon added that the faculty they will be hiring will be web based trained and well versed in the technology arena, and also indicated they will be using as much technology as they possibly can. He added that this will help reduce costs, and leverage transferability and student experiences across the state. Dr. Beck from CSI provided some detail on what the college is working toward given its older infrastructure. Dr. Dunlap also provided details from NIC on how they are helping the student experience by increasing their online presence, increasing capacity in dual credit, and working to increase capacity through their outreach centers.

Dr. Nellis provided feedback regarding the University of Idaho, commenting they have many challenges being the oldest campus in Idaho. Deferred maintenance is a concern but they are working aggressively to retrofit the wireless services and new technology for student interaction. Dr. Vailas responded for Idaho State University stating they have been working on this for some time and have also established a resource and learning center for students and faculty, and are building an online advisory system. Their goal is to have all of their general education courses on line to allow flexibility. Dr. Fernandez responded for Lewis-Clark State College, reporting that all of the new buildings have technology in the classroom. He indicated they are not to the extent of BSU in some areas, but some of their health related programs are using technology comparable to what BSU is doing, and they are also going to be providing electronic advising for students. Dr. Albiston responded for Eastern Idaho Technical College that they were fully networked on campus in the 80's and in the 90's to use polycom and broadcasting for their nursing students. They use cloud technology presently, and are also developing and using training for their faculty to ensure they are up to speed in the technology arena.

Mr. Lewis commented that institutions should be engaged in both online learning and digital learning. He also asked presidents for a report on MOOC's and how they affect our learning system. Dr. Glandon reported that they have individuals working on that

subject presently and the presidents would discuss and work on the item during the next President's Council meeting. Dr. Kustra added that there is enormous potential with using MOOCs. Mr. Lewis recommended staying ahead of what kind of impact it will have on our system. He asked the presidents to be aware of Board concerns regarding the efficiency of the Regent's degree, commenting that those concerns were made to the CAAP committee.

Dr. Beck reminded the Board members of classes which require classroom experience and how students develop soft skills of responsibility and hands on learning. He remarked that there is accountability to encourage good work ethic among students which cannot be accomplished necessarily through technology and online learning, adding that there will always be a necessary element to classroom instruction.

Mr. Edmunds asked about industry partners and the progress on developing internships and apprenticeships. Dr. Swartz responded for PTE that most of their students have the opportunity to go into the industry and demonstrate the skills they've learned in the classroom. He added it is a very successful model that often leads to employment. Mr. Edmunds asked how to get industry partners on board. Dr. Swartz responded that efforts are being made, but despite efforts we are not where we need to be. Dr. Nellis added that regarding internship opportunities, institutions are working aggressively with business and industry partners to expand the opportunities for students. Dr. Dunlap echoed those comments. Dr. Beck commented that it can be difficult for students to commute, and that the experiences need to be robust for students, but yet kept safe and affordable.

Dr. Goesling asked what the Board can do to assist e-learning across institutions. Dr. Glandon responded that they would add that to the President's Council agenda as an item for discussion. Dr. Albiston cautioned becoming fractioned as a state regarding technology and recommended that they should focus on building out one or two methods as a state rather than running in different directions – he felt it was worth discussion. Dr. Vailas reminded the other presidents and Board members about security and hacking issues. Mr. Edmunds referred this item back to President's Council for discussion. Mr. Luna added how desperately important it is for high school students to be ready to learn in the technology environment that was discussed.

3. Idaho Public Charter Commission – Annual Report

Tamara Baysinger, Public Charter School Commission Director, provided a report to the Board. She reported on public charter school growth, achievement and funding; proposed legislation pertinent to public charter schools and authorizing; and the Commission's focus on implementation of essential authorizing practices identified by the National Association of Charter School Authorizers. Ms. Baysinger reported on the national best practices of the public charter school system and how they could be developed to help Idaho. She started with a few statistics, reporting that the Commission has oversight over 33 public charter schools. She discussed the critical balance between school autonomy and accountability for results and that both sides of

the scale show room for improvement in Idaho. She identified the three main roles of the charter school sector which include planning and implementation by charter school boards, development and intervention by charter school associations, and identification and redirection by charter school advisors. She provided a recap of the authorizer's role which include to maintain high standards, uphold school autonomy and to protect student and public interests.

She indicated the Commission has increasingly struggled to balance these three aspects of their mission within their policy environment. This creates quality and autonomy concerns. She reported that the tools available to authorizers are limited and interfere with school autonomy. She suggested focusing on the ends versus the means, reporting that the Commission has been studying best practices of other models and how they could benefit Idaho. Ms. Baysinger recapped the 12 essential authorizing practices as reported by NACSA in October of 2011 and that Idaho is only addressing six presently, but intends to seek all 12. With regard to the proposed legislation, if the draft legislation is passed, it will assist in addressing all 12 practices and will also align with model components of Charter law, which would have the effect of improving Idaho's national charter ranking. There would be two bills proposed, one with a fiscal impact and one without. The bill with the fiscal impact would provide facility funding to public charter schools and also an authorizer fee to help support the work of the authorizer. The other bill deals with the conceptual aspect of dealing with renewals and contracts.

Ms. Atchley asked about providing facility funding for charters and where the resources would come from, whether it would impact funding for other public schools. Ms. Baysinger responded that the money would come from the general fund and be based on the amount of money the traditional districts raise in bonds and levies that the district would raise in a given year. She recapped for Board members exactly how this would happen. Ms. Atchley indicated the general fund has many challenges and asked if the Charter Commission really thinks this will happen. Ms. Baysinger responded it is challenging but possible. Mr. Luna provided some numbers for bonds and levies which average to about \$600 per student. \$120 per student would go to a charter as a stipend. This money would come from the general fund, but it would come from the public school's budget and be indicated by a line item in the budget.

Dr. Goesling asked about additional authorizers. Ms. Baysinger indicated new authorizers could be public universities and colleges, and all authorizers would need to go through an approval process ensuring their capacity to serve as an authorizer. Mr. Luna indicated as an example the Albertson's Foundation could be an authorizer.

Mr. Lewis asked what the current rule for reauthorization is. Ms. Baysinger responded that at this time, the authorization is indefinite and there is no renewal process. She added that in other states and in alignment with best practices, the recommended renewal is five years. Ms. Baysinger indicated the five year provision is in draft presently. Mr. Lewis questioned whether the Board would want to support the five year provision and there was additional discussion about the legislation.

Mr. Luna indicated the legislation that will be introduced in the next few days is based on charter law best practices which have been developed over the last 20 or so years. They encourage a less stringent authorization process, but a very stringent accountability process. Mr. Lewis and Mr. Luna discussed the legislation and what the new law would do to current charters and those wanting to open. Dr. Rush added that the Board staff will make certain the legislation would be fully vetted before it proceeds.

At this time, Mr. Edmunds excused the meeting for a 10 minute break.

4. University of Idaho – Student Appeal Request

BOARD ACTION

M/S (Soltman/Westerberg): To hear the student appeal and to appoint a hearing officer. The motion failed with a three-to-two vote in opposition to the motion. Ms. Atchley, Dr. Goesling and Mr. Terrell voted nay on the motion. Mr. Luna passed on the voting on the motion.

M/S (Terrell/Goesling): To reject the request to hear the student appeal. The motion carried with a three-to-two vote. Mr. Soltman and Mr. Westerberg voted nay on the motion. Mr. Luna passed on voting on the motion.

5. Boise State University – Facility Naming

M/S (Soltman/Goesling): I move to approve the request by Boise State University to name the new football complex the Gene Bleymayer Football Complex. The motion carried unanimously.

Mr. Satterlee introduced the item and gave a background on the facility and the gifting. They request that former athletic director Gene Bleymayer be named in honor of the athletic complex. The naming of the facility will recognize his work and accomplishments and allow Boise State University to carry out the wishes of donors in honor of their gift to the University, adding that support for this recommendation has been unanimous.

6. Board Bylaws H.4. – Audit Committee – First Reading

BOARD ACTION

M/S (Soltman/Atchley): To approve the amendments to Board Bylaws H.4., Audit Committee, as presented in attachment 1. The motion carried unanimously.

Mr. Soltman asked if the compensation covers travel expenses. Dr. Rush clarified for Board members that any Board member asked to travel for Board work will have their travel reimbursed.

7. Board Policy I.K. – Naming/Memorializing Building and Facilities – Second Reading

BOARD ACTION

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

Tracie Bent from the Board office introduced the item, indicating approval of the changes will allow for clarity in the administration of this Board policy and streamline the reporting process. She outlined the changes between the first and second reading. Currently naming requests come forward to the Board for approval through the Consent agenda. Clarifying the language within the policy will assure Board intent is being met and that the policy is consistently interpreted in the future. Board Member Lewis requested a technical change in the wording regarding the Board's authority at the December 2012 Board meeting. This is the only change made to the policy between the first and second reading.

8. Board Policy I.P. – Idaho Indian Education Committee – First Reading

BOARD ACTION

M/S (Soltman/Goesling): To approve Board Policy I.P. Idaho Indian Education Committee – First reading as presented. The motion carried unanimously.

9. STEM Strategic Plan

Mr. Soltman indicated that initial comments from the Committee indicated the plan needs to be more focused and requested the six (6) goals be consolidated in to four (4) areas focused around students, educators, workforce needs, and partnerships. The recommendation is to refer the item back to staff and PPGA committee without presentation today. There were no objections to this request.

10. State Board of Education Strategic Plan

BOARD ACTION

M/S (Soltman/Atchley): To approve the 2013-2017 Idaho State Board of Education Strategic Plan as submitted and to authorize the Planning, Policy and Governmental Affairs Committee to finalize performance measures and benchmarks as necessary. The motion carried unanimously.

Mr. Soltman reminded Board members that at the December meeting, they spent considerable time making recommendations to the plan. Since then, they have tried to

incorporate every item from that discussion into the current version of the plan. He noted there are still five goals that need benchmarks. Two of those goals dealt with performance based funding, and the other three goals need to be worked on. The recommendation of the Committee is to approve the plan as it is and to develop the other three benchmarks, with metric review in October. He added that there is an understanding that additional work will be done on objectives around measuring teacher effectiveness and setting annual milestones.

Mr. Edmunds requested review of the redlined version of the plan at this time. Ms. Bent went through each change to the plan for the Board members. Mr. Lewis asked about Objective B, if there is a benchmark for college completion percentage and if it would be a useful metric to include. Ms. Bent responded that information would be easy to obtain and report. Ms. Atchley requested under *percent of Idahoans who have a college degree or certificate* to insert the word “requiring” before *one academic year or more*. Dr. Goesling asked what certificates are under nine months in length that are not being counted. Ms. Bent responded that the Board set the 9 month or more duration as the certificate level. There was further discussion around degrees and certificates. Ms. Bent added that this measure looks at 60% of this segment of the population and there is a Workforce Development Task Force looking at metrics for the other 40% of the population that will be reported to the Board at a later date. Ms. Bent commented that once the metrics are around certificates of less than a year and workforce needs they would be brought back to the Board for inclusion in the Boards strategic plan.

Mr. Luna asked about reducing the number of dual credits from 180,000 down to 75,000 credits per year. Ms. Bent indicated this change was in response to the Superintendents concern at the December Board meeting that the number was too high. Staff looked at the number of high school Juniors and Seniors currently in the system and the number of credits that would be earned if they each completed at least one dual credit course. Mr. Luna felt the number is too low for the goal and that it should be set on what is best for students with work toward reducing the barriers to students. Mr. Luna requested revisiting this item with discussion about the 25% and 75,000 credits specifically. Ms. Bent indicated it would be helpful to have a credit hour benchmark and an idea of a percent increase the Board members would like to see over the next few years. Ms. Grace suggested considering two parts – how many students would they like to see participating in dual credit and how many credits should those students be taking. Mr. Luna recommended working backwards from the target to determine what the number should be. Ms. Bent reminded the Board members that dual credit was just one of the advanced opportunity tools; there is also advanced placement courses and tech prep.

Mr. Lewis commented on the performance measure under Objective C, specifically the addition of *in the technical colleges* under the Bridge Program. Dr. Swartz from PTE indicated it is a generic term that refers to integrated training and retention programs for qualified students.

Mr. Lewis next commented on Goal 3 Objective A, and asked why the benchmark went higher for the associates level of 60 to 70. Ms. Bent responded that it was a more realistic stretch. There was additional discussion clarifying this change for Mr. Lewis and Ms. Bent suggested adding to the benchmark the language “or less” to read “70 or less”.

Mr. Lewis next asked about the bullet “*amounts of funds saved through institution collaboration*”. Ms. Bent responded there was originally a measure to count collaboration and it was decided upon to remove it. She indicated staff is still working on a way to count this item – i.e., its measurability. Mr. Lewis recommended deleting the comment because it is not measurable.

At this time the meeting recessed for a lunch break.

11. Alcohol Permits

Mr. Soltman indicated this is an informational item. Dr. Goesling asked for institution representatives to come forward for discussion. Dr. Goesling asked that given the upswing of incidents at campuses, what is occurring and how does the Board help institutions in these matters. He asked whether the Board should be more involved in a statewide approach to the problem. His question to institutions is if Board involvement would be helpful in the way of more oversight and more control. Mr. Terrell responded that his feeling is the Board should help set standards and not necessarily increase their involvement, but encourage the schools to have a tighter rein and stricter rules for alcohol on campus.

Ms. Bent from the Board office indicated a list of approved permits by institution was provided to the Board members in their agenda materials. The last update presented to the Board was at the December 2012 Board meeting and since that meeting, Board staff has received fifty-six (56) permits from Boise State University, nine (9) permits from Idaho State University, and six (6) permits from the University of Idaho.

Mr. Satterlee indicated they are attempting to address permits and make it a priority initiative at Boise State University, adding that their student functions and campus functions are separate. President Nellis indicated that it is apparent occurrences have increased over the years for institutions, but it is a public matter as well. He indicated the culture and leadership at campus has an effect, and welcomed any ideas from the Board or sister institutions. Mr. Nelson from the University of Idaho indicated they have a task force looking at the alcohol situation and intend to share the results of what they learn. He indicated their permitting process is quite robust. Dr. Vailas responded that the Board does a thorough job in the review of the alcohol permits and suggested increasing awareness campus-wide.

Mr. Soltman commented that the Board process appears thorough and adequate. He suggested there should be shared experiences among institutions on the topic and findings.

Mr. Terrell requested that the institutions come back to the Board on what can be changed to alter the culture on campus and address the problems of alcohol consumption. Mr. Lewis praised what the University of Idaho has done regarding alcohol on campus and looks forward to campuses engaging to change the culture. Mr. Terrell requested this discussion be carried through to the President's Council and requested to be in attendance for those discussions. Mr. Westerberg recommended modeling after the University of Idaho. Mr. Westerberg requested unanimous consent for each institution to review their alcohol policies and report back to the Board. There were no objections to the request. The timeline identified for this request is for the institutions to report back to the Board by the June meeting. Mr. Terrell asked for regular bimonthly updates from institutions on the results of their efforts.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

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

BOARD ACTION

M/S (Westerberg/Goesling): To extend the waiver of the criteria in Board policy III.Q.4.c for placement in entry-level college courses to permit alternative placement mechanisms that are in alignment with the Complete College Idaho plan until the beginning of Fall 2014. All alternative placement mechanisms shall be reviewed by the Chief Academic Officer and the Council on Academic Affairs and Programs (CAAP) prior to implementation. The motion carried unanimously.

2. Idaho State University – Approval of Proposal to expand the Physician Assistant Program to the College of Idaho campus

BOARD ACTION

M/S (Westerberg/Terrell): To approve the request by Idaho State University to expand their existing Physician Assistant Program to the College of Idaho, Caldwell campus. The motion carried unanimously.

Ms. Atchley asked about how ISU arrived at the cost of the program. Dr. Adamcik pointed out it is not a new program, but rather an addition of 10 seats and a collaborative effort. Dr. Hatzenbuehler responded that there is no difference in the costs in the expanded program and that it is supported through professional fees.

3. Idaho State University – Approval of Proposal for a New, Online Doctorate of Nursing Practice (DNP)

BOARD ACTION

M/S (Westerberg/Goesling): To approve the request by Idaho State University to create a new online, Doctor of Nursing Practice program. The motion carried unanimously.

M/S (Westerberg/Goesling): To approve the request by Idaho State University to designate a professional fee for the Doctor of Nursing Practice program in conformance with the program budget submitted to the Board in Attachment 1. The motion carried unanimously.

Dr. Hatzenbuehler deferred to Dr. Mary Neece for a review of the program. Dr. Neece indicated ISU proposes to create a new online Doctor of Nursing Practice (DNP) with two options, Family Nurse Practitioner (FNP) and Adult-Geriatric Clinical Nurse Specialist (ACNS). They are proposing the program to stay in line with the national standards. Mr. Terrell provided positive feedback regarding the program and nurse practitioners.

4. Boise State University – Approval of Proposal for a New, Online Doctorate of Nursing Practice (DNP)

BOARD ACTION

M/S (Westerberg/Goesling): To approve the request by Boise State University to create a new online, self-support Doctor of Nursing Practice program. The motion carried unanimously.

M/S (Westerberg/Atchley): To approve the request by Boise State University to designate a self-support fee for the Doctor of Nursing Practice program in conformance with the program budget submitted to the Board in Attachment 1. The motion carried unanimously.

Dr. Schimpf provided that Boise State University proposes to create a new self-support, online program that will lead to a Doctor of Nursing Practice with a focus on leadership in the nursing populations. This program builds upon content of BSU's existing Master in Nursing and Master of Science in Nursing and is designed to complement the ISU program. The program is designed to be a part-time program and will consist of 40 credits in eight (8) semesters.

Ms. Atchley asked about the funding for this program. Dr. Schimpf responded the BSU program is self supported and the ISU program is partially funded on state appropriated money.

5. Boise State University – Approval of Proposal for a New, Online Self-Support Adult-Gerontology Nurse Practitioner Program

BOARD ACTION

M/S (Westerberg/Goesling): To approve the request by Boise State University to create a new online, self-support Master of Adult-Gerontology Nurse Practitioner, Graduate Certificate in Adult-Gerontology Nurse Practitioner - Acute Care, and Graduate Certificate in Adult-Gerontology Nurse Practitioner - Primary Care programs. The motion carried unanimously.

M/S (Westerberg/Atchley): To approve the request by Boise State University to designate a self-support fee for the Master of Adult-Gerontology Nurse Practitioner, Graduate Certificate in Adult-Gerontology Nurse Practitioner - Acute Care, and Graduate Certificate in Adult-Gerontology Nurse Practitioner - Primary Care programs. The motion carried unanimously.

Dr. Schimpf indicated BSU's request to create a new online, self-support master's in Adult Gerontology Nursing Practice and two associated graduate certificates is consistent with their Five-Year Plan for the delivery of academic programs in the Southwest region. Dr. Schimpf indicated the cohorts will be 20 students per year.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Section I – Human Resources

1. Amendment to Board Policy – Section II.H. – Coaching Personnel – First Reading

M/S (Terrell/Goesling): To approve the first reading of proposed amendments to Board Policy II.H., Policies Regarding Coaching Personnel and Athletic Directors, and the Model Coach Contract, with all revisions as presented. The motion carried unanimously.

Mr. Terrell indicated at the December 2012 Board meeting, concern was expressed with current policy and allowing consecutive one-year contracts under II.H.2., and suggested a dollar threshold beyond which Board approval should be required. Mr. Freeman added that the policy was also revised to ensure that coach contracts have material liquidated damages clauses for coaches terminating for convenience. Board counsel worked with institution general counsel to develop a proposed revision to the policy. With the addition of the liquidated damages provision and corresponding edits to the model contract, it was determined this policy should go back to a first reading.

2. Idaho State University – Multi-Year Employment Agreement – Head Women's Soccer Coach

M/S (Terrell/Westerberg): To approve I move to approve the request by Idaho State University to enter into an employment contract with Allison Gibson, as Women's Soccer Coach (1.0 FTE), for a term commencing February 21, 2013 and expiring on February 21, 2016 with an annual base salary of \$60,278.40 and such contingent base salary increases, and incentive/supplemental compensation

provisions as set forth in the materials presented to the Board, in substantial conformance with the terms of the contract set forth in Attachment 1 in the Board materials. There was no voting on this motion.

Ms. Atchley requested to amend the motion to show that the 80% above academic incentive should be \$3,000 and the ones that lead up to that should be proportionate to that final figure, adding that the contract should be amended to that effect. Dr. Goesling seconded the amendment. There was no voting on the amendment.

Ms. Atchley requested unanimous consent to remove this item from the agenda and have it reworked as discussed, then returned to the Board for action during a special meeting in a few weeks. There were no objections to this request.

Mr. Terrell indicated this is a three year contract commencing February 21, 2013. The employment agreement follows the Board-approved model contract and also contains liquidated damages in favor of the University. Liquidated damages for the Coach terminating the contract early for her own convenience are \$25,000 for the first 11 months, then \$20,000 for the next 12 months, \$10,000 for the final 12 months. The maximum academic incentive does not rise to a level equivalent to any of the supplemental compensation incentives for performance. The Board will need to determine whether it deems the academic incentives to be sufficient.

Ms. Atchley indicated the academic incentive is not adequate and would like to see ISU add more to the academic incentive. Ms. Atchley clarified that for the suggested amendment, it is an addition of \$1,250 to the top level of academic achievement. The remaining level incentives go down proportionally as they are in the existing contract.

Athletics Director Jeff Tingey commented on the justification for adjusting the amount, clarifying that the academic achievement was previously based on a four-year average and it is now based on a one-year average. There was discussion regarding their AP ranking and incentives in the contract. Dr. Goesling added that the Board had asked previously that the shift go from a percentile to actual numerical scores and requested that change be made.

Mr. Terrell requested to postpone this item until later in the meeting. There was no opposition to this request. Returning to the item, Mr. Freeman clarified that it is up to the institutions on how they wish to craft the academic incentives. Ms. Atchley requested to withdraw the amendment she had suggested previously. There were no objections to withdrawing the amendment.

There was continued discussion regarding the one-year versus the four-year average and it was suggested the difference be split so a bonus would be determined every second year based on AR. It was recommended this item be returned to BAHR for further work.

BUSINESS AFFAIRS AND HUMAN RESOURCES

Section II – Finance

1. Board Policy V.A., V.C and V.Q. – Miscellaneous Receipts – Second Reading

BOARD ACTION

M/S (Terrell/Soltman): To approve the second reading of proposed revisions to Board Policy Section V.A., General Authority, Responsibilities, and Definitions, as presented in Attachment 1. The motion carried unanimously.

M/S (Terrell/Soltman): To approve the second reading of proposed revisions to Board Policy Section V.C., Spending Authority, as presented in Attachment 2. The motion carried unanimously.

M/S (Terrell/Soltman): To approve the second reading of proposed deletion of Board Policy Section V.Q., Deposits and Miscellaneous Receipts Accounts, as presented in Attachment 3. The motion carried unanimously.

2. Board Policy V.R. – Establishment of Fees – Second Reading

BOARD ACTION

M/S (Terrell/Soltman): To approve the second reading of proposed amendments to Board policy Section V.R., Establishment of Fees, with all revisions as presented. By unanimous consent, the item was returned to the BAHR committee for additional work.

Mr. Lewis asked for clarification of the definition of the new student orientation fee and asked if it was meant to cover 100% of the costs or a portion. Mr. Freeman said the main intent is to have the fee approved by the Board, so this would be part of the line-up of fees at the April Board meeting. Mr. Lewis asked for the language to be written to clarify only costs associated with actual expenses.

Mr. Freeman provided that the scenario they are trying to address is for new students as a pre-school event, which is why housing and food are referenced.

Ms. Atchley indicated it is not clear to her whether this fee is charged to every student who participates in an orientation. Mr. Ron Smith responded for the University of Idaho that the fee is charged just to those students who participate in the orientation. Ms. Pearson indicated for BSU it is a one-time fee charged to all registering students.

Mr. Westerberg requested unanimous consent to return the item BAHR. Mr. Freeman indicated it would be helpful for the institutions to know if this is going to be a Board-approved fee before the fee hearing in April. Mr. Lewis indicated there is a lack of

clarity in those fees which aren't otherwise covered as academic year costs. There was mixed feedback from the institutions on the fee. Ms. Pearson requested allowing the institutions to discuss it in more detail with their student affairs people. Mr. Lewis indicated it would be appropriate to know why BSU charges it to all registering students. Dr. Kustra responded that the fee generates funding that allows the students and the parents to attend the orientation. Dr. Vailas echoed Dr. Kustra's remarks.

After a lengthy discussion, Mr. Terrell again requested unanimous consent to return the item back to the BAHR committee for additional work and bring it forward again in a special Board meeting. There were no objections to this request.

3. Intercollegiate Athletics Reports of Revenues, Expenditures, Participation

BOARD ACTION

M/S (Terrell/Westerberg): To accept the Intercollegiate Athletic Reports for Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College, as presented. The motion carried unanimously.

Mr. Lewis provided a recap of the Athletics Committee meeting from yesterday. He indicated they discussed budget trends and they intend to spend more time reviewing compliance and compliance structure, and resources that are applied to resources. They discussed the athletics program generally during their meeting yesterday as well. They did not discuss the inequities in funding.

The Athletics Reports show actual results for fiscal years 2008 through 2012 and the forecast for fiscal year 2013. The amount of general and institutional funds allocated to athletics compared to the Board-approved limits is shown in the Board materials. All institutions were within their state general funds, gender equity and institutional funds limits. Staff highlighted certain revenue and expenditure data for the Board's consideration which was identified in the agenda materials.

4. Intercollegiate Athletics Department, Employee Compensation Report

Mr. Terrell indicated the Athletics Compensation report details the contracted salary received by administrators and coaches, bonuses, additional compensation, and prerequisites, if applicable. The reports, by institution, include FY 2012 actual compensation and FY 2013 estimated compensation. Boise State University, Idaho State University, University of Idaho, and Lewis-Clark State College provided a report to the Board.

5. Boise State University – Foundation Land Exchange Agreement – Addition of Parcels

BOARD ACTION

M/S (Terrell/Soltman): To approve the land exchange between Boise State University and the Boise State University Foundation as set forth in Attachments 1 - 3 in the Board materials and to authorize the Vice President for Finance and Administration to execute all necessary documents relating to the exchange. The motion carried unanimously.

6. Idaho State University – Establishment of the Bengal Pharmacy LLC

Mr. Fletcher from ISU introduced Dr. Paul Cady, Dean of Pharmacy, Darlene Gerry, Executive Director Tech Transfer, Arlo Luke President of the ISU Foundation, Dr. Kent Tingey Vice President of University Advancement, and Dr. Kerry Casperson, Professor of Pharmacy. Mr. Fletcher provided an overview of the item indicating that they are proposing to set up the Bengal Pharmacy on campus as a profitable business enterprise which will be established to serve students, faculty, staff and others that may be of interest. The purpose of establishing the pharmacy is to expand on the financial, educational and experiential learning benefits to faculty, staff and students, in addition to offering services to rural communities in southwest Idaho. Mr. Fletcher summarized the benefits to the students, faculty, staff and community the pharmacy will provide. This will also enhance the ability of the ISU Foundation to fund scholarships and other valued programs.

Ms. Atchley asked if this pharmacy will be open to all individuals. Dr. Cady responded in the affirmative, indicating their primary focus will be on students. Mr. Luna asked, since it will be a business, where do they get their capital and if the University guarantees the debts and the liabilities of the LCC. Mr. Fletcher responded that there are what he described as layers of liability, where the University itself would be held liable last. The LLC will operate as its own company, and the ISU Foundation will serve as the owner. Dr. Casperson went on to describe and summarize the different levels of insurances that will cover the pharmacy. Mr. Luna then asked for confirmation that the University is not responsible for any liabilities or debts regarding the pharmacy. Dr. Casperson responded that she couldn't say there is no conceivable path to the University, but if so, it would be a cumbersome one.

Mr. Lewis expressed concern that it has been a long standing policy of the Board to not get into private business. There were also comments about the capital contribution for the start up of the pharmacy. Dr. Vailas remarked that higher education has been encouraged to get involved in startups to increase the revenue to colleges and universities. Mr. Lewis commented in favor of incubation with private parties at the universities, and expressed continued concern with the Foundation running a pharmacy or business. Mr. Luke commented on the expertise and qualifications of the staff and Board of Directors at the ISU Foundation related to pharmacy endeavors. He expressed that this is an opportunity outside of the box that bears consideration for the benefit of the University and the community.

There was discussion on whether this violates Board policy related to the competitive nature of an entity and that foundations may not engage in activities that conflict with

policies of the Board; staff has not made that determination. Mr. Terrell recommended the item be sent to the BAHR committee for review, further discovery on what other peer institutions have done with similar situations, and a recommendation on whether to accept or decline ISU's recommendation for the pharmacy. There were no objections to this recommendation.

Mr. Edmunds asked if this was a time sensitive issue. Ms. Gerry indicated it was time sensitive in relation to their partnership with Health West and they had hoped to start operations as soon as possible.

There was further discussion around liability and private sector ventures. Mr. Luna asked that ISU define more clearly for the Board their liabilities going into this venture. Mr. Westerberg pointed out to the Board that ISU was told this was an item they could move forward on and that it is within ISU's competencies.

7. University of Idaho – Niccolls Family and Consumer Sciences Building Renovations

BOARD ACTION

M/S (Terrell/Soltman): To approve the project budget and authorize the University of Idaho to implement the bid, award and construction phases of the Niccolls Family and Consumer Sciences Building Renovations, Moscow, Idaho in the amount of \$2,671,300. Authorization includes the authority to execute all requisite consulting, design, construction, and vendor contracts necessary to fully implement the planning, design, bid, award and construction phases of the project. The motion carried unanimously.

Mr. Terrell introduced this item. Mr. Smith from the University of Idaho provided a brief review of the item and indicated this project is to be funded with a mix of state and college funds and private gifts. No debt financing will be used. The project fund source is a combination of funds received from the Alteration and Repair Category of the State of Idaho Permanent Building Fund, the University of Idaho Strategic Investment Fund (VSIF), College of Agricultural and Life Sciences Reserves set aside for this specific purpose and Gift Funds received for this specific purpose. Mr. Soltman asked if the donor funds were available now. Mr. Smith indicated they are.

8. University of Idaho – Student Union Building Renovations

BOARD ACTION

M/S (Terrell/Soltman): To approve the request by the University of Idaho to implement the bid, award and construction phases of a Capital Project for second floor renovations and improvements of the Student Union Building, in the amount of \$1,300,000. Authorization includes the authority to execute all necessary and requisite consulting, construction and vendor contracts to fully implement the

planning, design, bid, award and construction phases of the project. The motion carried unanimously.

Mr. Terrell indicated the immediate fiscal impact of this effort is \$1,300,000 and that the project fund source is from the University of Idaho Strategic Investment Funds and Student Union Building (SUB) Reserves and Endowment Funds set aside for this specific purpose. This project is to be funded exclusively with institutional funds. No debt financing will be used. Staff recommends approval.

9. University of Idaho – Reimbursement Resolution – Integrated Research and Innovation Center

BOARD ACTION

M/S (Terrell/Soltman): To approve the request by the University of Idaho for authority to use future bond proceeds to reimburse for the planning and design expenditures of the Integrated Research & Innovations Center, and further to approve the Resolution of the Board of Regents regarding the same, as set forth in Attachment 1 to the materials submitted to the Board. The motion carried unanimously. Mr. Terrell requested the BAHR committee to be kept apprised as to how the fundraising goes for this item.

Mr. Terrell indicated the University of Idaho requests approval of a resolution to use future bond proceeds to reimburse institutional reserves used for planning and design expenses relating to the Integrated Research & Innovations Center (IRIC). This resolution would be necessary in order for the University to reimburse itself for any expenditure made directly related to this project within 60 days prior to the approval of the resolution.

There was discussion related to the gap in funding. Mr. Smith responded they don't have the money presently but anticipate getting it and that it is a focal point for their campaign. They feel confident they will get where they need to be in the next two years. Mr. Terrell asked how the funds will be replenished. Ms. Atchley asked for clarification on the designated funds. Mr. Smith responded the \$3.4 million will be replenished by state and donated funds. Mr. Freeman clarified that the \$3.4 million is in designated assets, so the 9.3 million referenced is the unrestricted amount available. The \$3.4 million does not come out of the unrestricted amount.

DEPARTMENT OF EDUCATION

1. Superintendent's Update

Superintendent Luna intended to provide an update on the State Department of Education but in the interest of time, he requested to forward the Superintendent's Report to the Board members.

2. Changing Graduation Rate Calculations

Mr. Luna reported that in December 2009, the State Board approved the cohort graduation rate formula. This formula allows for the state to count students that graduate within five years and to include students on an Individual Education Plan (IEP) who graduate by age 21. The full formula is fully explained in Section 7.1 of the accountability workbook. Mr. Luna explained that in the new cohort rate formula, high schools and districts will have both a four-year and five-year rate. For the Department, this is the third year of building a four-year cohort. The data will be reported to districts in summer 2013 for review and cohort graduation rates will be reported publicly and included as part of the Star Rating system in 2013-2014. Mr. Luna indicated that due to the changes in the calculation of the formula, there is an expected drop in the graduation rates for high schools and districts.

3. Elementary and Secondary Education Act Waiver (ESEA), Idaho Star Rating System Reward Schools

BOARD ACTION

M/S (Luna/Goesling): To approve I move to approve High-Performing and High-Progress Schools reward list and publicly recognize the listed schools, as submitted. The motion carried unanimously.

Mr. Luna indicated this motion is a result of the new accountability plan for schools with Star rankings and deals with approving the schools that have been identified as high-performing and high-progress schools. He indicated that a list of schools and their districts were included in the Board materials.

Ms. Atchley asked what percentage of schools achieved this listing. Mr. Luna responded about 700 schools. Mr. Soltman asked what a reward will consist of. Mr. Luna responded that right now it just involves public recognition.

OTHER BUSINESS

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

M/S (Westerberg/Luna): To adjourn the meeting at 4:10 p.m. The motion carried unanimously.