



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
March 5, 2013
Special Teleconference Meeting
Boise, ID**

A special teleconference meeting of the State Board of Education was held March 5, 2013. It originated from the Board office in Boise Idaho. Acting Board President Don Soltman presided and called the meeting to order at 3:00 p.m. A roll call of members was taken.

Present:

Don Soltman, Acting President
Emma Atchley, Secretary
Richard Westerberg
Bill Goesling
Tom Luna

Guest:

Ken Edmunds

Absent:

Rod Lewis
Milford Terrell

BOARD ACTION

M/S (Goesling/Atchley): To approve the agenda as submitted. There were no objections.

BUSINESS AFFAIRS & HUMAN RESOURCES - HR (BAHR)

1. ISU Coach Contract

BOARD ACTION

M/S (Westerberg/Atchley): To approve the request by Idaho State University to enter into an multiyear employment contract with Allison Gibson, as Women's Soccer Coach (1.0 FTE), for a term commencing retroactively on 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 of the Board materials. The motion carried unanimously with a provision to remove the language regarding approval by the Board of Trustees for supplemental compensation referenced in section 3.2.3 from this item and the model contract.

Mr. Westerberg introduced the BAHR item from Idaho State University (ISU) to approve the contract for their head women's soccer coach. He indicated the item was considered at the last Board meeting where concern was expressed about the academic incentives. Since that time, ISU has responded with a revised contract that meets Board approval.

Dr. Goesling identified two concerns. The first was regarding supplemental compensation being approved through the university's Board of Trustees. He indicated that portion of the contract language would be changed and requested the coach be made aware that change would be occurring in the near future. The second concern was related to the academic standings and the APR ranking of the university if the coach raises the APR. Dr. Goesling recommends the APR to be on a point basis.

Mr. Westerberg confirmed that Dr. Goesling's first point would be noted for the record. To Dr. Goesling's second point, he is reluctant to recommend any changes because the APR percentage is the hurdle set by the university for their coach. Mr. Freeman confirmed that regarding the first point, staff will strike the language in the model contract as suggested by Dr. Goesling where the Board of Trustees is to approve the supplemental compensation. He recommended striking the provision as part of the motion for the contract they are discussing today. Mr. Westerberg requested unanimous for this modification. There were no objections.

To the second point made by Dr. Goesling, Mr. Freeman echoed the remarks of Mr. Westerberg that the hurdles were set by the university. Mr. Westerberg added that by using a percentage, it shows how the university is doing among others. Dr. Goesling responded his concern is that if the coach moves the team up in rank, it should be rewarded. President Vilas suggested that the Board approve the contract as it is, and as time goes on, the Athletic Committee may suggest an amendment to the contract. Mr. Freeman commented that when the Board approved the changes to the policy, it was a first reading at the February meeting. The two primary issues addressed were for contracts to be 3 years or less minus any extraordinary circumstances, and also that the contracts be approved in advance and not retroactively. The Athletic Committee has not taken a formal position on the ranking being points or percentage based. Mr. Soltman recommended referring the item to the Athletics Committee for further discussion. Ms. Atchley further commented she was in agreement with the teams being ranked amongst their national peers in terms of percentage.

BUSINESS AFFAIRS & HUMAN RESOURCES – FINANCE (BAHR)

1. Policy V.R. – Second Reading

BOARD ACTION

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

Mr. Westerberg introduced the item which is a revision to Board policy for the establishment of fees and reviewed those changes. Previous concerns of the Board have been addressed and are reflected in the policy changes. Ms. Atchley commented in support of the changes to the policy. Mr. Freeman remarked that the institutions who responded were in favor without concern to the changes as well.

2. University of Idaho CEO

BOARD ACTION

M/S (Westerberg/Goesling): To authorize the Board's Acting President to appoint a chair or co-chairs for a Screening Committee for President of the University of Idaho, and to direct the chair or co-chairs to select a screening committee, not to exceed 16 members, composed of a diverse group of University stakeholders. The motion carried unanimously.

AND

M/S (Westerberg/Atchley): To authorize the Board's Acting President to identify a candidate or candidates for Interim President of the University of Idaho, and to direct the Acting President to forward a list of qualified candidates to the Board by April 5, 2013. The motion carried unanimously.

Mr. Westerberg introduced the item commenting that University of Idaho president Duane Nellis is the sole finalist for the Texas Tech University presidency which necessitates a need to start the process for a presidential search committee and to identify an interim president. Mr. Westerberg asked for comments regarding a screening committee and the process which will likely take several months. He posed three questions to Board members. First, should the search committee hire a private firm to help in the search? Second, should the interim president be eligible to apply for the presidency? And third, that the Board provide any specific recommendations for the composition of the screening committee.

Mr. Soltman commented that President Nellis has not resigned and as such is still the President of the University of Idaho. He further added that any communication on this issue needs to go through Marilyn Whitney, Chief Communications Officer, in the Board office. Mr. Westerberg suggested that the Board clearly outline the expectations for the interim president including that they not be eligible to run for the presidency. He also recommended that the interim president and the search committee identify whether they want to identify and use a search firm. Ms. Atchley agreed with Mr. Westerberg on both comments. Dr. Goesling concurred on the need of a search committee and recommended identifying an interim president as soon as possible.

DEPARTMENT OF EDUCATION

1. Public Schools Budget Update

Superintendent Luna provided an update for the Board members on the Department's budget as recommended by the Joint Finance and Appropriations Committee (JFAC) in a 15-5 vote. He reminded Board members this budget still needs to pass the House, the Senate and be signed off on by the Governor. The JFAC recommendations approve a 2.2% increase in general funds, increases minimum teacher salary to \$31,000, unfreezes the salary grid that was

frozen during the recession, provides more funding to math and science teachers and provides funding for the SAT and PSAT tests. The recommendations also provide funding for the dual credit for early completers program, and include a 1.5% increase in discretionary funding. Mr. Luna reported that in reference to the \$34 million from the reform bucket, JFAC recommended \$21 million to be distributed to school districts and public charters for differential compensation which is in alignment with Board recommendation. Of that, 41% can be used for professional development and the remaining amount can be used for differential pay, and \$13.4 million is budgeted for classroom technology. Mr. Luna commented that although this is ongoing funding, it is expected that the Education Task Force will make recommendations to the Board on how to spend these funds in the future.

Ms. Atchley asked about the wireless connection to the high schools and the privacy issues in doing that. Mr. Luna responded it is a concern which is being addressed to ensure proper filtering to prevent unauthorized access to the system and to make sure students don't have access to inappropriate materials. Mr. Luna felt confident privacy is and will continue to be protected, adding that federal and state laws and guidelines are in place for privacy protection.

Mr. Soltman asked about feedback from districts. Mr. Luna reported feedback has been positive, adding that there was strong support from both sides of the aisle in JFAC. Mr. Luna felt the budget has been well received and expressed thanks for those who worked to put it together.

PLANNING, POLICY AND GOVERNMENTAL AFFAIRS (PPGA)

1. Legislative Update

Ms. Atchley indicated that Board members had been provided with a list of current legislative initiatives. Mr. Soltman asked if Staff needed direction on any of the items. Ms. Bent indicated that at the last Board meeting there were questions about the two charter school pieces of legislation.

Mr. Ken Burgess was present to answer any questions regarding those pieces of legislation which are House Bills 206 and 221. Mr. Soltman asked if there were any questions or items of discussion for Mr. Burgess. Ms. Atchley expressed concern about how everything will work with the current Idaho public charter school authorizer which is the Public Charter School Commission. She asked how the Commission will provide for its funding if there are a number of other authorizers available in consideration of what their job has been historically as an authorizer. She questioned the practicality of having a number of authorizing agencies when the State Board in the end has the responsibility for education, adding this seems to diffuse that responsibility somewhat.

Mr. Freeman reviewed how the bill will impact the Board's budget. He indicated that each charter school will pay a fee to the authorizing entity. Based on the number of charter schools that are authorized under the Commission, if all those stay under the Commission, it would be sufficient to maintain the current state of operations and provide some additional revenue. However, because the fee is paid on February 15th, we will not know until 2014 how much revenue will be available. He pointed out that the Commission is separately budgeted line item in the State Board of Education budget, so there is no way to cash-flow its operations before that revenue comes in. Mr. Freeman concluded that JFAC has been notified the soonest the

Commission budget could be switched from a state general fund to a fee revenue fund would be FY 2015. Mr. Freeman added that there is a certain amount of overhead required in being an authorizing entity and if schools choose to move to other authorizers the fee based budget may eventually not be enough to support minimum operations of the Commission.

Mr. Burgess commented that their goal is to update and align the charter law with best practices and the national model for charter schools. In other states, there are multiple authorizers used in starting charter schools. Mr. Burgess provided a bit of historical information with regard to charter school laws and authorizers, stating that the districts didn't have the desire to be authorizers. When the new law was written in 2004, they added the Public Charter School Commission for the purpose of being an additional authorizer. Since then, no school district has authorized a new charter school, only the Commission has done that. The concern of the Commission is with the ability to oversee a growing number of charter schools. They hope to relieve some of the burden on the Commission as well as expand charter opportunities by having other authorizers. He added that the authorizer fee is designed to help offset the costs to authorizers as well as an incentive to encourage traditional school districts to be authorizers.

Mr. Soltman asked if the schools authorized under a separate authorizer would still be under the Commission. Mr. Burgess responded that the schools would fall under their specific authorizer, adding that the way the bill is written, the State Department of Education would have the authority and responsibility for approving additional authorizers. He indicated there is a very specific approval process for becoming an authorizer.

Mr. Luna commented that construction of this proposed legislation has been a long process and that he is convinced it is a step in the right direction for our charter laws. It provides more opportunities for more students as well as an incentive for local school districts to be an authorizer. He commented the Department is supportive of the bill and is comfortable with the responsibility it puts on the Department.

Dr. Goesling asked if in the event of failure if the debt passes on to the authorizer. Mr. Luna responded that the financial obligations do not roll up beyond the charter school itself; there is no obligation to the Department or the state of Idaho for the debt. Ms. Bent indicated that House Bill 221 includes a process for school closure or dissolution that the assets would be sold to pay any debts.

Dr. Goesling asked about the appeal process. Ms. Bent responded that for those schools that are authorized by another authorizer and not the Commission, they have the same ability to appeal to the Board. If the Board disagrees with the authorizer not renewing a contract for a charter, that school could then become a school under the Commission. If the Board agrees with the authorizers' cancelling of a contract, then it is the same as when the Board agrees with the Commission when they have closed a charter school.

Ms. Atchley asked about charter facilities taking away from public facilities' money, along with the passing of levies and bonds in school districts. Mr. Luna responded that this legislation should help with the resistance from families in participating in the levies. Mr. Burgess commented that charter schools do not have the ability to bond or to have supplemental levies and this is designed as an equalizer in that respect.

Ms. Atchley asked for the Board's guidance and expressed continued concern with the bills. Ms. Bent indicated that staff has concerns over the funding impact of House Bill 206 with regard

to going from a general fund appropriation to a dedicated fund. Regarding House Bill 221, there are concerns with vague definitions in the bill. Ms. Bent indicated House Bill 206 passed the House today with a 42-27 vote after debate. If the Board takes a position on it, staff would testify either for or against on the Senate side. Mr. Luna commented that this bill has gone through six to eight months of meetings and feels it is a bill that is one in the right step. Ms. Bent commented the Charter Commission does support both bills. She also indicated Mr. Lewis previously expressed concern with the renewal process and the level of accountability.

Mr. Soltman asked of the status of House Bill 221. Ms. Bent responded the House is scheduled to hear it tomorrow. Ms. Bent indicated that one concern was whether this legislation was taking funding away from other public school funding. Ms. Atchley asked if the Board should make a motion. The Board decided not to make a motion on either of the Charter bills.

Ms. Bent provided information on House Bill 218 and House Bill 224. House Bill 218 is regarding the school district bond requirements. The proposed legislation modernizes the language in Idaho Code to be more consistent and expands what is currently a limit of 20 years to amortization to 30 years. House Bill 224 clarifies the language in the teacher contracts and governing law. House Bill 205 deletes the restriction for the teacher's salary multiplier which is a clarifying bill based on the propositions.

BOARD ACTION

M/S (Atchley/Goesling): That the State Board of Education support HB 205, HB 218, and HB 225. The motion carried unanimously.

Other Business:

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

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