

**BUSINESS AFFAIRS AND HUMAN RESOURCES  
OCTOBER 17, 2013**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>1</b>	<b>FY 2014 SOURCES AND USES OF FUNDS</b>	Motion to approve
<b>2</b>	<b>AMENDMENT TO BOARD POLICY</b> Section V.F. – Bonds and Other Indebtedness - First Reading	Motion to approve
<b>3</b>	<b>BOISE STATE UNIVERSITY</b> Amendment to Nike Contract	Motion to approve
<b>4</b>	<b>BOISE STATE UNIVERSITY</b> Purchase of Phoenix Thermal Ionization Mass Spectrometer	Motion to approve
<b>5</b>	<b>UNIVERSITY of IDAHO</b> Executive Residence Project Update	Information item

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**SUBJECT**

FY 2014 College and Universities "Summary of Sources and Uses of Funds"

**APPLICABLE STATUTES, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Sections V.B.4.b.(1), V.B.5.c. and V.B.6.b.

**BACKGROUND/DISCUSSION**

The College and Universities receive funding from a variety of sources. A summary of the revenue sources is as follows:

**Revenue types include:**

Approp: General Funds – State appropriation of state funds

Approp: Endowment Funds – Idaho State University (ISU), University of Idaho (UI) and Lewis-Clark State College (LCSC) are the beneficiaries of income from state endowment lands

Approp: Student Fees – Tuition and Fees approved by the Board; Legislature appropriates spending authority

Institutional Student Fees – Fees approved by the institution presidents

Federal Grants & Contracts – Extramural grants and contracts awarded by the Federal government

Federal Student Financial Aid – Funds passed through to students

State Grants & Contracts – Grants and contracts awarded by the State: may include state scholarships and work study funds

Private Gifts, Grants & Contracts – Other non-governmental gifts, grants and contracts

Sales & Services of Educational Activities – Includes: (i) revenues that are related incidentally to the conduct of instruction, research, and public service and (ii) revenues of activities that exist to provide instructional and laboratory experience for students and that incidentally create goods and services that may be sold to students, faculty, staff, and the general public. Examples would include sales of scientific and literary publications, testing services, etc.

Sales & Services of Auxiliary Enterprises – An institutional entity that exists predominantly to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to the cost of the goods or services. Examples include residence halls, food services, student unions, bookstores, copy centers, health centers, etc.

Indirect Costs/Other – Also known as Facilities and Administrative (F&A) Cost recovery, on many grants an institution may charge a grantor for indirect costs. The expense to the grant is not a specifically identifiable cash outlay but a "recovery" of general overhead costs.

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The institutions' expenditures fall in to the following standard functional categories:

**Expenditure Categories:**

**Instruction** – expenses for all activities that are part of an institution's instruction program (credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; etc.)

**Research** – all expenses for individual and/ or project research as well as that of institutes and research centers

**Public Service** -- expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution (e.g. conferences, institutes, radio and television, consulting, museums, etc.)

**Library** – expenses for retention, preservation, and display of educational materials and organized activities that directly support the operation of a catalogued or otherwise classified collection

**Student Services** – expenses incurred for offices of admissions, registrar and financial aid, student activities, cultural events, student newspapers, intramural athletics, student organizations, etc.

**Physical Plant** – all expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant.

**Institutional Support** – expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as planning and programming operations and legal services; fiscal operations; activities concerned with community and alumni relations, including development and fund raising; etc.

**Academic Support** – expenses incurred to provide support services for the institution's primary missions: instruction, research, and public service (includes academic administration, galleries, A-V services, etc.)

**Athletics** – expenses for intercollegiate sports programs are a separately budgeted auxiliary enterprise

**Auxiliary Enterprises** – an enterprise which exists to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed to operate as a self-supporting activity. Examples include residence halls, food services, student unions, bookstores, copy centers, health centers, etc.

**Scholarships/Fellowships** – includes expenses for scholarships and fellowships (from restricted or unrestricted funds) in the form of grants to students.

**Federal Student Financial Aid** – funds passed through to students

**Other** – institution specific unique budgeted expenditures

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**IMPACT**

The attached worksheets provide a high level overview of the institutions' sources of funding and expenditures based on the standard categories listed above. The trend analysis shows how the allocation of budgeted revenues and expenditures has changed since fiscal year 2007 excluding any mid-year adjustments (e.g. holdbacks).

**ATTACHMENTS**

Attachment 1 – Summary Report	Page 5
Attachment 2 – Boise State University	Page 6
Attachment 3 – Idaho State University	Page 7
Attachment 4 – University of Idaho	Page 8
Attachment 5 – Lewis-Clark State College	Page 9

**STAFF COMMENTS AND RECOMMENDATIONS**

Starting in FY 2013, Board and institution staff decided to disaggregate federal student aid from Federal Grants & Contracts on the revenue side and from Scholarships/Fellowships on the expense side since federal aid only passes through the institution to the eligible students.

Institution staff will be available to answer questions from the Board.

**BOARD ACTION**

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

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**College and Universities  
Sources and Uses of Funds**

a	b 2007	c 2008	d 2009	e 2010	f 2011	g 2012	h 2013	i 2014	i vs b	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	% Change	
<b>Revenues by Source:</b>										
1	Approp: General Funds	\$297,198,296	\$314,488,045	\$334,513,827	\$299,109,226	\$259,619,803	\$251,916,503	\$269,919,595	\$279,452,595	-4%
2	Approp: Federal Stimulus	\$0	\$0	\$0	\$15,140,600	\$4,305,900	\$0	\$0	\$0	0%
3	Approp: Endowment Funds	7,624,800	7,851,500	8,595,000	9,616,400	9,616,600	9,616,600	9,927,400	10,729,200	4%
4	Approp: Student Fees	125,321,912	127,138,432	133,817,937	147,923,452	177,342,376	202,215,526	216,238,128	227,240,000	80%
5	Institutional Student Fees	60,248,455	53,727,411	68,778,167	70,354,988	66,974,551	71,649,406	79,135,463	86,355,074	59%
6	Federal Grants & Contracts	250,065,986	265,635,778	306,549,636	345,950,919	389,010,370	415,693,822	112,497,648	115,546,707	-55%
7	Federal Student Financial Aid	0	0	0	0	0	0	312,522,291	307,937,134	100%
8	State Grants & Contracts (1)	28,005,013	29,078,797	22,579,764	19,547,568	19,791,273	21,583,007	22,152,755	21,682,868	-18%
9	Private Gifts, Grants & Contr	44,075,928	45,297,552	52,934,827	61,212,799	52,374,136	53,920,532	64,120,559	67,276,644	52%
10	Sales & Serv of Educ Act	40,712,881	53,122,434	37,016,556	36,919,925	36,783,785	30,744,992	24,044,782	24,780,015	-42%
11	Sales & Serv of Aux Ent	95,474,122	101,256,483	115,841,076	107,248,607	110,074,583	113,931,176	116,207,575	114,684,647	21%
12	Indirect Cost Recovery	16,807,325	17,022,432	16,219,905	16,240,498	20,580,602	22,647,183	21,792,012	19,517,154	47%
13	Other	19,001,532	17,695,052	31,639,351	30,307,244	24,151,223	26,774,339	31,897,012	38,387,194	278%
14	<b>Total Revenues</b>	<b>\$984,536,249</b>	<b>\$1,032,313,916</b>	<b>\$1,128,486,046</b>	<b>\$1,159,572,226</b>	<b>\$1,170,625,202</b>	<b>\$1,220,693,086</b>	<b>\$1,280,455,220</b>	<b>\$1,313,589,232</b>	<b>36%</b>
15										
<b>16 Expenditures by Function</b>										
17	Instruction	\$288,176,766	\$296,335,596	\$308,044,914	\$291,533,121	\$294,191,076	\$301,572,754	\$318,647,448	\$333,078,432	19%
18	Research	120,728,803	129,378,452	127,785,344	125,105,050	128,674,626	127,060,429	138,537,678	138,668,790	14%
19	Public Service	40,543,600	47,171,968	47,864,534	49,677,930	49,068,029	47,316,195	48,191,701	50,471,780	28%
23	Academic Support	40,261,389	45,414,776	52,002,954	51,936,010	45,280,025	49,906,432	52,845,452	56,983,083	38%
20	Library	20,796,504	21,461,373	22,100,450	21,383,390	20,814,300	20,878,394	22,471,260	23,526,550	12%
21	Student Services	29,729,232	33,084,853	31,557,967	32,820,763	33,483,114	35,749,087	40,597,148	41,033,446	41%
22	Institutional Support	79,088,941	82,407,226	89,758,914	93,931,121	90,467,652	88,930,254	91,353,187	94,527,863	32%
23	Physical Plant	67,014,261	65,171,683	64,607,677	66,661,815	62,713,180	63,567,095	69,663,266	73,672,303	39%
24	Scholarships/Fellowships	175,476,100	182,353,547	232,823,600	266,065,077	294,625,270	330,513,313	29,479,224	32,740,699	-84%
25	Federal Student Financial Aid	0	0	0	0	0	0	312,522,291	307,937,134	100%
26	Auxiliary Enterprises (2)	84,911,812	112,383,363	122,813,491	95,677,135	91,616,578	92,340,574	92,031,875	95,364,479	-1%
27	Athletics	37,804,304	42,079,331	49,026,816	49,707,574	57,338,387	58,102,906	64,064,804	62,856,999	103%
28	Other	277,400	237,100	1,020,367	14,171,537	3,045,065	2,641,078	1,659,729	1,843,465	325%
29										
30	<b>Total Bdgt by Function</b>	<b>\$984,809,112</b>	<b>\$1,057,479,268</b>	<b>\$1,149,407,028</b>	<b>\$1,158,670,523</b>	<b>\$1,171,317,303</b>	<b>\$1,218,578,511</b>	<b>\$1,282,065,063</b>	<b>\$1,312,705,023</b>	<b>37%</b>

(1) Includes state grants, scholarships, and work study

(2) Auxiliary Enterprises includes University of Idaho's Student Recreation Center

**Boise State University  
Sources and Uses of Funds**

a	b	c	d	e	f	g	h	i	i vs b	
	2007	2008	2009	2010	2011	2012	2013	2014		
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	% Change	
<b>Revenues by Source:</b>										
1	Approp: General Funds	\$82,700,657	\$87,917,018	\$95,700,847	\$78,835,980	\$70,506,500	\$68,005,800	\$74,496,000	\$77,703,500	-6%
2	Approp: Federal Stimulus	-	-	-	4,856,400	1,381,100	-	-	-	0%
3	Approp: Endowment Funds	0	0	0	0	0	0	0	0	0%
4	Approp: Student Fees	44,221,300	46,870,800	50,322,017	55,165,000	61,818,400	70,126,300	76,318,400	82,819,800	87%
5	Institutional Student Fees	26,231,241	18,728,250	30,380,097	29,373,721	24,094,812	27,302,419	31,241,972	37,736,289	44%
6	Federal Grants & Contracts	58,133,999	59,296,679	84,068,486	89,641,739	91,434,574	114,526,277	32,100,129	32,742,131	-44%
7	Federal Student Financial Aid							93,000,000	93,000,000	100%
8	State Grants & Contracts (1)	7,647,024	7,799,964	3,246,324	2,840,328	2,897,135	3,379,468	2,502,674	2,597,409	-66%
9	Private Gifts, Grants & Contr	7,378,471	10,021,346	13,309,333	22,489,477	17,621,575	17,222,042	24,613,704	30,515,015	314%
10	Sales & Serv of Educ Act	1,800,000	1,108,983	0	0	0	0	0	0	-100%
11	Sales & Serv of Aux Ent	40,194,638	42,643,084	56,966,521	49,268,011	47,671,784	54,170,604	53,138,693	54,301,532	35%
12	Indirect Cost Recovery	2,500,000	2,575,000	3,022,557	3,083,009	4,491,646	5,395,226	5,430,885	5,539,503	122%
13	Other	13,549,705	11,891,121	15,656,592	15,273,559	8,310,233	15,075,691	20,444,074	26,188,400	93%
14	<b>Total Revenues</b>	<b>\$284,357,034</b>	<b>\$288,852,245</b>	<b>\$352,672,774</b>	<b>\$350,827,224</b>	<b>\$330,227,759</b>	<b>\$375,203,827</b>	<b>\$413,286,531</b>	<b>\$443,143,579</b>	<b>56%</b>
15										
<b>Expenditures by Function</b>										
17	Instruction	\$87,296,917	\$89,639,975	\$95,003,418	\$86,989,423	\$90,631,721	\$92,024,606	\$102,215,854	\$112,366,933	29%
18	Research	11,740,987	13,413,787	17,891,374	18,088,831	15,026,939	19,967,082	30,867,286	32,111,329	173%
19	Public Service	10,229,817	10,884,802	13,130,655	12,534,632	12,786,895	12,177,939	13,479,370	13,788,180	35%
23	Academic Support	14,300,067	14,708,294	18,854,391	22,050,035	15,686,466	18,826,838	19,966,959	22,892,201	60%
20	Library	6,968,244	7,135,544	7,407,503	7,160,147	6,997,873	6,902,947	7,291,196	7,287,094	5%
21	Student Services	7,427,013	9,166,797	10,269,955	13,195,914	11,941,830	12,117,207	16,026,556	16,541,328	123%
22	Institutional Support	23,277,272	22,961,137	30,496,067	33,745,968	26,710,970	28,989,836	29,764,591	33,325,817	43%
23	Physical Plant	23,045,219	14,597,502	17,037,209	18,189,410	15,081,111	15,398,849	20,339,348	21,262,303	-8%
24	Scholarships/Fellowships	49,034,486	50,787,808	68,285,664	72,646,006	71,650,735	96,328,558	10,846,409	13,164,621	-73%
25	Federal Student Financial Aid							93,000,000	93,000,000	100%
26	Auxiliary Enterprises	34,750,662	58,090,714	67,963,096	38,904,476	33,068,047	38,755,931	36,169,293	41,568,212	20%
27	Athletics	16,889,631	19,719,525	25,584,503	26,312,240	32,806,108	33,540,533	37,883,119	36,051,747	113%
28	Other	0	0	0	800,000	1,381,100	530,400	0	0	0%
29										
30	<b>Total Bdgt by Function</b>	<b>\$284,960,315</b>	<b>\$311,105,885</b>	<b>\$371,923,835</b>	<b>\$350,617,082</b>	<b>\$333,769,795</b>	<b>\$375,560,726</b>	<b>\$417,849,981</b>	<b>\$443,359,765</b>	<b>56%</b>

(1) Includes state grants, scholarships, and work study



**Idaho State University  
Sources and Uses of Funds**

a	b 2007	c 2008	d 2009	e 2010	f 2011	g 2012	h 2013	i 2014	i vs b	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	% Change	
<b>Revenues by Source:</b>										
1	Approp: General Funds	\$77,670,511	\$82,812,633	\$87,622,446	\$78,598,679	\$70,977,925	\$68,913,825	\$74,049,598	\$76,984,198	-1%
2	Approp: Federal Stimulus	-	-	-	4,126,300	1,173,500	-	-	-	0%
3	Approp: Endowment Funds	1,697,400	1,843,500	2,020,700	2,121,300	2,121,500	2,121,500	2,125,600	2,227,800	31%
4	Approp: Student Fees	32,294,712	32,365,532	34,013,220	37,588,552	46,318,776	53,342,096	56,204,528	58,471,100	81%
5	Institutional Student Fees	16,071,314	17,184,861	18,281,770	19,699,467	21,224,439	22,400,287	24,954,791	25,705,455	60%
6	Federal Grants & Contracts	80,075,287	85,056,199	89,146,950	103,935,280	120,640,296	121,810,845	18,717,019	18,104,976	-77%
7	Federal Student Financial Aid							99,897,691	105,763,134	100%
8	State Grants & Contracts (1)	7,174,189	7,229,833	7,560,240	8,034,740	8,638,938	10,321,739	11,786,781	11,804,673	65%
9	Private Gifts, Grants & Contr	11,726,432	10,911,881	12,012,194	13,366,222	13,038,361	16,558,590	18,948,455	14,777,870	26%
10	Sales & Serv of Educ Act	3,779,481	4,462,051	4,930,056	5,146,525	5,124,285	5,427,392	5,478,282	5,872,971	55%
11	Sales & Serv of Aux Ent	21,152,209	21,976,328	22,222,614	20,371,796	20,904,227	21,275,772	23,003,482	23,489,102	11%
12	Indirect Cost Recovery	4,756,125	5,297,432	6,612,348	5,907,489	5,648,956	5,811,957	4,921,127	3,854,651	-19%
13	Other	3,029,727	3,108,241	2,947,959	2,821,385	4,546,790	4,772,178	4,460,138	4,523,306	49%
14	<b>Total Revenues</b>	<b>\$259,427,387</b>	<b>\$272,248,491</b>	<b>\$287,370,497</b>	<b>\$301,717,735</b>	<b>\$320,357,993</b>	<b>\$332,756,181</b>	<b>\$344,547,492</b>	<b>\$351,579,236</b>	<b>36%</b>
15										
16	<b>Expenditures by Function</b>									
17	Instruction	\$85,772,004	\$88,505,670	\$92,765,539	\$89,304,998	\$89,060,654	\$92,732,030	\$99,085,733	\$100,888,469	18%
18	Research	25,473,180	26,517,682	29,973,932	30,392,481	34,018,929	36,568,011	36,293,273	31,882,624	25%
19	Public Service	4,024,912	4,512,895	4,826,166	3,851,861	3,180,603	5,166,057	4,931,209	6,012,450	49%
23	Academic Support	10,216,285	11,792,910	13,319,827	12,668,776	12,764,214	13,196,267	14,610,603	14,877,138	46%
20	Library	5,111,275	5,372,714	5,390,026	4,939,251	4,924,218	4,923,422	5,310,128	5,317,235	4%
21	Student Services	7,985,965	8,144,786	8,455,009	7,804,741	7,563,755	7,592,089	8,273,681	8,296,818	4%
22	Institutional Support	17,009,000	16,998,353	18,575,992	18,432,015	22,035,515	22,336,175	23,672,120	25,099,214	48%
23	Physical Plant	14,192,706	15,045,944	15,576,677	18,031,943	16,804,498	17,545,953	19,067,230	20,038,512	41%
24	Scholarships/Fellowships	66,368,825	71,621,259	74,518,868	89,821,109	103,552,073	105,199,169	4,422,581	4,524,535	-93%
25	Federal Student Financial Aid							99,897,691	105,763,134	100%
26	Auxiliary Enterprises	16,061,787	18,208,958	17,470,121	16,583,859	16,971,281	17,382,243	18,438,882	19,075,067	19%
27	Athletics	7,800,380	7,935,703	8,019,039	7,949,803	8,045,694	8,182,213	8,743,625	8,766,400	12%
28	Other	0	0	0	2,534,237	1,425,765	2,110,678	1,594,729	1,832,465	100%
29										
30	<b>Total Bdgt by Function</b>	<b>\$260,016,319</b>	<b>\$274,656,874</b>	<b>\$288,891,196</b>	<b>\$302,315,074</b>	<b>\$320,347,200</b>	<b>\$332,934,307</b>	<b>\$344,341,485</b>	<b>\$352,374,061</b>	<b>36%</b>

(1) Includes state grants, scholarships, and work study

**University of Idaho**  
**Sources and Uses of Ongoing Funds**

a	b	c	d	e	f	g	h	i	i vs b	
	2007	2008	2009	2010	2011	2012	2013	2014		
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	% Change	
<b>Revenues by Source:</b>										
1	Approp: General Funds	\$120,350,000	\$126,053,100	\$130,916,100	\$124,207,900	\$102,473,100	\$99,891,100	\$104,793,100	\$107,524,800	-11%
2	Approp: Federal Stimulus	-	-	-	5,320,600	1,513,100	-	-	-	0%
3	Approp: Endowment Funds	4,859,600	4,853,000	5,307,300	6,164,400	6,164,400	6,164,400	6,466,800	7,166,400	47%
4	Approp: Student Fees	40,956,300	39,755,400	40,948,900	45,653,000	58,422,800	67,004,730	71,428,200	72,756,100	78%
5	Institutional Student Fees	12,938,400	12,851,500	15,100,300	16,279,600	16,514,700	16,569,000	17,926,600	18,098,760	40%
6	Federal Grants & Contracts	98,064,100	106,582,900	117,534,200	131,373,900	152,535,500	155,156,700	61,180,500	64,299,600	-34%
7	Federal Student Financial Aid						93,624,600	85,174,000		100%
8	State Grants & Contracts (1)	10,445,700	11,649,000	9,373,200	5,672,500	5,255,200	4,881,800	5,163,300	5,280,786	-49%
9	Private Gifts, Grants & Contr	23,131,525	22,364,325	25,713,300	23,757,100	19,914,200	18,139,900	18,558,400	20,183,759	-13%
10	Sales & Serv of Educ Act	33,733,400	46,151,400	30,586,500	30,473,400	30,459,500	24,017,600	17,266,500	17,907,044	-47%
11	Sales & Serv of Aux Ent	32,578,575	34,080,385	34,199,300	34,999,600	39,162,600	36,091,700	37,530,400	33,781,163	4%
12	Indirect Cost Recovery	9,400,000	9,000,000	6,435,000	7,150,000	10,340,000	11,340,000	11,340,000	10,023,000	7%
13	Other	1,177,100	1,695,690	12,134,800	11,612,300	10,594,200	6,298,070	6,392,800	7,175,488	510%
14	<b>Total Revenues</b>	<b>\$387,634,700</b>	<b>\$415,036,700</b>	<b>\$428,248,900</b>	<b>\$442,664,300</b>	<b>\$453,349,300</b>	<b>\$445,555,000</b>	<b>\$451,671,200</b>	<b>\$449,370,900</b>	<b>16%</b>
15										
<b>Expenditures by Function</b>										
17	Instruction	\$96,354,214	\$99,357,680	\$99,274,538	\$94,752,796	\$94,092,371	\$96,773,742	\$96,847,048	\$99,242,944	3%
18	Research	83,192,118	89,093,982	79,583,577	76,425,138	79,459,661	70,333,066	71,178,677	74,496,556	-10%
19	Public Service	23,473,500	29,259,100	27,589,351	31,426,724	31,565,877	28,069,242	27,683,100	28,848,035	23%
23	Academic Support	12,868,570	15,972,232	16,833,129	14,393,349	14,363,064	15,326,781	15,547,604	16,791,965	30%
20	Library	7,750,978	7,940,553	8,267,702	8,220,580	7,840,734	8,001,488	8,795,223	9,092,324	17%
21	Student Services	11,418,175	12,519,033	9,371,106	8,647,739	10,384,949	12,332,858	12,525,006	12,334,623	8%
22	Institutional Support	34,455,803	37,728,185	35,397,800	36,563,262	36,998,463	32,786,254	33,010,401	31,168,096	-10%
23	Physical Plant	26,534,082	31,917,175	28,670,636	27,406,419	27,845,934	27,737,523	27,195,047	29,267,914	10%
24	Scholarships/Fellowships	48,193,989	47,203,780	76,068,868	83,854,362	95,965,062	105,082,386	13,965,734	14,748,643	-69%
25	Federal Student Financial Aid						93,624,600	85,174,000		100%
26	Auxiliary Enterprises (2)	32,002,928	33,099,076	34,460,919	37,284,100	38,768,100	33,383,000	34,436,000	31,423,000	-2%
27	Athletics	11,102,793	12,144,504	13,086,274	13,213,731	14,181,585	14,077,060	15,057,460	15,472,700	39%
28	Other	0	0	0	10,000,000	0	0	0	0	0%
29										
30	<b>Total Bdgt by Function</b>	<b>\$387,347,150</b>	<b>\$416,235,300</b>	<b>\$428,603,900</b>	<b>\$442,188,200</b>	<b>\$451,465,800</b>	<b>\$443,903,400</b>	<b>\$449,865,900</b>	<b>\$448,060,800</b>	<b>16%</b>

(1) Includes state grants, scholarships, and work study

(2) Auxiliary Enterprises includes University of Idaho's Student Recreation Center

**Lewis-Clark State College  
Sources and Uses of Funds**

a	b	c	d	e	f	g	h	i	i vs b	
	2007	2008	2009	2010	2011	2012	2013	2014		
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	% Change	
<b>Revenues by Source:</b>										
1	Approp: General Funds	\$16,477,128	\$17,705,294	\$20,274,434	\$17,466,667	\$15,662,278	\$15,105,778	\$16,580,897	\$17,240,097	5%
2	Approp: Federal Stimulus	-	-	-	837,300	238,200	-	-	-	0%
3	Approp: Endowment Funds	1,067,800	1,155,000	1,267,000	1,330,700	1,330,700	1,330,700	1,335,000	1,335,000	25%
4	Approp: Student Fees	7,849,600	8,146,700	8,533,800	9,516,900	10,782,400	11,742,400	12,287,000	13,193,000	68%
5	Institutional Student Fees	5,007,500	4,962,800	5,016,000	5,002,200	5,140,600	5,377,700	5,012,100	4,814,570	-4%
6	Federal Grants & Contracts	13,792,600	14,700,000	15,800,000	21,000,000	24,400,000	24,200,000	500,000	400,000	-97%
7	Federal Student Financial Aid							26,000,000	24,000,000	100%
8	State Grants & Contracts (1)	2,738,100	2,400,000	2,400,000	3,000,000	3,000,000	3,000,000	2,700,000	2,000,000	-27%
9	Private Gifts, Grants & Contr	1,839,500	2,000,000	1,900,000	1,600,000	1,800,000	2,000,000	2,000,000	1,800,000	-2%
10	Sales & Serv of Educ Act	1,400,000	1,400,000	1,500,000	1,300,000	1,200,000	1,300,000	1,300,000	1,000,000	-29%
11	Sales & Serv of Aux Ent	1,548,700	2,556,686	2,452,641	2,609,200	2,335,972	2,393,100	2,535,000	3,112,850	101%
12	Indirect Cost Recovery	151,200	150,000	150,000	100,000	100,000	100,000	100,000	100,000	-34%
13	Other	1,245,000	1,000,000	900,000	600,000	700,000	628,400	600,000	500,000	-60%
14	<b>Total Revenues</b>	<b>\$53,117,128</b>	<b>\$56,176,480</b>	<b>\$60,193,875</b>	<b>\$64,362,967</b>	<b>\$66,690,150</b>	<b>\$67,178,078</b>	<b>\$70,949,997</b>	<b>\$69,495,517</b>	<b>31%</b>
15										
16	<b>Expenditures by Function</b>									
17	Instruction	\$18,753,631	\$18,832,271	\$21,001,419	\$20,485,904	\$20,406,330	\$20,042,376	\$20,498,813	\$20,580,086	10%
18	Research	322,518	353,001	336,461	198,600	169,097	192,270	198,442	178,281	-45%
19	Public Service	2,815,371	2,515,171	2,318,362	1,864,713	1,534,654	1,902,957	2,098,022	1,823,115	-35%
23	Academic Support	2,876,467	2,941,340	2,995,607	2,823,850	2,466,281	2,556,546	2,720,286	2,421,779	-16%
20	Library	966,007	1,012,562	1,035,219	1,063,412	1,051,475	1,050,537	1,074,713	1,829,897	89%
21	Student Services	2,898,079	3,254,237	3,461,897	3,172,369	3,592,580	3,706,933	3,771,905	3,860,677	33%
22	Institutional Support	4,346,866	4,719,551	5,289,055	5,189,876	4,722,704	4,817,989	4,906,075	4,934,736	14%
23	Physical Plant	3,242,254	3,611,062	3,323,155	3,034,043	2,981,637	2,884,770	3,061,641	3,103,574	-4%
24	Scholarships/Fellowships	11,878,800	12,740,700	13,950,200	19,743,600	23,457,400	23,903,200	244,500	302,900	-97%
25	Federal Student Financial Aid							26,000,000	24,000,000	100%
26	Auxiliary Enterprises	2,096,435	2,984,615	2,919,355	2,904,700	2,809,150	2,819,400	2,987,700	3,298,200	57%
27	Athletics	2,011,500	2,279,599	2,337,000	2,231,800	2,305,000	2,303,100	2,380,600	2,566,152	28%
28	Other	277,400	237,100	1,020,367	837,300	238,200	0	65,000	11,000	-96%
29								0	0	
30	<b>Total Bdgt by Function</b>	<b>\$52,485,328</b>	<b>\$55,481,209</b>	<b>\$59,988,097</b>	<b>\$63,550,167</b>	<b>\$65,734,508</b>	<b>\$66,180,078</b>	<b>\$70,007,697</b>	<b>\$68,910,397</b>	<b>31%</b>

(1) Includes state grants, scholarships, and work study

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**OCTOBER 17, 2013**

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**SUBJECT**

Board Policy V.F. – Bonds and Other Indebtedness – first reading

**REFERENCE**

April 2013

Board returned first reading of II.H. to Business Affairs & Human Resources (BAHR) Committee

**APPLICABLE STATUTES, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.F.  
Idaho Code §33-3801 et seq.

**BACKGROUND / DISCUSSION**

For several years the State Board of Education has informally considered a debt burden ratio (debt service as a percent of operating budget) of 8% as a debt service ceiling. The 8% figure originally came from one of Boise State University's (BSU's) underwriters as an industry standard or best practice. Board member Edmunds has asked if the 8% cap is still appropriate. In reviewing this issue with the institutions' controllers and vice presidents for finance and administration, a suggestion was made that a comprehensive Board debt policy, to include a debt burden ratio, would be beneficial. To that end, amendments are being proposed to Board policy V.F. Bonds and Other Indebtedness, to formalize a Board debt policy. Amendments include:

Current paragraph 1 (General Powers) is revised for clarity with respect to powers and process. The projects eligible for debt financing are aligned with the Higher Education Bond Act through incorporation by reference:

The term "project" shall mean and include buildings, structures, improvements, and equipment of every kind, nature and description, which may be required by or convenient for the purposes of an institution, including, without limiting the generality of the foregoing, administration, dining, exhibition, lecture, recreational and teaching halls, or parts thereof, or additions thereto; heat, light, sewer and water works plants or systems, or parts thereof, or extensions thereto; commons, dining halls, dormitories, auditoriums, libraries, infirmaries, laundries, laboratories, metallurgical plants, museums, swimming pools, water-towers, fire prevention and fire fighting systems, gymnasiums, stadiums, dwellings, greenhouses, farm buildings, and stables, or parts thereof, or additions thereto; or any one, or more than one, or all of the foregoing, or any combination thereof.

Current paragraph 2 (Attorney General's Opinion) is deleted because the provision is already in Idaho Code §33-3811.

Current paragraph 3 (Private Sale) is deleted. It is not entirely clear what the intent of this paragraph is since all debt requires prior Board approval. In addition, private vs. public sale is undefined and therefore its meaning is unclear.

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Current paragraph 5 (Expenditure of Excess Revenue) is deleted for several reasons. First, institutions pledge all project revenues, so the limit on expenditures is not relevant. Any concerns about excess "proceeds" are addressed in the debt policy (new paragraph 4). Also, the dollar thresholds in this paragraph are off because they have been raised for major capital projects. This reference should be dropped as other policy sections set the criteria for delegated authority.

**New paragraph 3 (Debt Policy)**

This new paragraph opens with general findings and objectives. Next are guidelines for when debt financing should be considered and how it should be structured. Subparagraph b. v. addresses fixed vs. variable rate financing and lists several situations when variable rate financing may be appropriate.

Subparagraph b.v.a) defines four risk categories to be assessed in determining whether to issue fixed or variable debt. Bond counsel has opined that in Idaho the institutions will not have access to variable rate debt (of any size) without an underlying letter of credit (LOC) from a bank. With variable rate debt the underwriter generally has to "remarket" an institution's bonds per a pricing schedule. If the underwriter gets to that point and the bonds can't be resold, the institution would have to repay the bonds. Institutions generally wouldn't have liquidity to repay and would have to fall back on the LOC from the bank. A letter of credit typically has an annual cost (e.g. a small percentage of the total value of the contract), but if an institution had to draw down against the LOC to pay off the bonds, the terms of that LOC will not be as good as the original debt. As such, the policy provides that when an institution is negotiating a deal involving variable rate debt, it should pay attention to renewal and repricing terms in addition to the terms of the bonds.

Subparagraph b.v.b) would limit the amount of variable debt an institution could carry in its total debt portfolio to 20%. A random survey of major public universities and systems across the country found limits anywhere between 20 – 40%. While such a cap is prudent, the Board could also determine that a reasonable limit may be unique to each institution. To that end, the Board could alternatively direct the institutions to have a debt policy that includes institution-specific risk parameters.

Subparagraph b.vi. provides guidance for when to consider refunding outstanding debt.

Subparagraph c. would codify the Board's longstanding, albeit informal, 8% debt service ceiling.

Subparagraph e. provides guidance on the issuance of taxable debt.

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Subparagraph f. provides for the allowance of short-term or interim debt, subject to the same approvals, limits and ratios as long-term debt.

Subparagraph h. provides guidelines for documents in support of an institution seeking Board approval to issue debt.

Subparagraph i. requires institutions to report back to the Board two years after project purchase or completion on whether revenue assumptions materialized to cover debt service.

**IMPACT**

Approving amendments to Board policy V.F. would formalize a Board debt policy.

**ATTACHMENTS**

Attachment 1 – Board Policy V.F. – first reading

Page 5

**STAFF COMMENTS AND RECOMMENDATIONS**

From time to time over the past several years the topic of a Board-approved debt policy has been discussed amongst the Vice Presidents for Finance. Earlier this year the University of Idaho (UI) took the initiative to develop a draft policy which was then circulated to all institutions for comment and review. Boise State University (BSU) had significant input into the final product. Idaho State University (ISU) and Lewis-Clark State College (LCSC) also offered suggestions.

With limited or even contracting state and federal resources for higher education facilities, debt will become an increasingly important piece of the institutions' financial portfolio. As such, it is appropriate for the Board to adopt a debt policy. Due to the inherent complexities of debt financing, the institutions' vice presidents for finance and/or controllers will be available to comment on this proposed policy and answer questions.

**BOARD ACTION**

I move to approve the first reading of proposed amendments to Board Policy V.F., Bonds and Other Indebtedness, with all revisions as presented.

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

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1. General Powers

The University of Idaho, Idaho State University, Lewis-Clark State College, and Boise State University may ~~incur debt, with or without the issuance of bonds, to be used for a "project" (as that term is defined in section 33-3802, Idaho Code), by a majority vote of all the members of the Board, borrow money with or without the issuance of bonds pursuant to Chapter 38, Title 33, Idaho Code.~~ The Board ~~must shall~~ act by formal resolution ~~and by a majority roll call vote of all the members of the Board to approve the terms of any debt financing transaction.~~ Such indebtedness is not an obligation of the state of Idaho but is an obligation solely of the respective institutions and the ~~institution's~~ respective board of trustees. ~~Any indebtedness is to be used to acquire a project, facility, or other asset that may be required by or be convenient for the purposes of the institution.~~ For indebtedness of a major capital project, an institution shall first obtain approval in accordance with Board policy V.K. (for purposes of this subsection, a major capital project is one in which the project cost exceeds \$1,000,000). Student fees, rentals, charges for the use of the projected facility, or other revenue may be pledged or otherwise encumbered to pay the indebtedness. Refunding bonds also may be issued.

Eastern Idaho Technical College is not authorized to borrow money under Chapter 38, Title 33, Idaho Code.

~~2. Attorney General's Opinion~~

~~The Board or the institution may request the Attorney General of Idaho to review and pass upon the validity of a proposed bond issue. If found valid, the bond is an incontestable, binding obligation on the institution.~~

~~3. Private Sale~~

~~A private sale of bonds is permitted only with the prior approval of the Board as the governing body of the institution. The chief executive officer of the institution must justify why a public sale is not desirable and explain the benefits of a private sale of bonds.~~

4. Responsibility of the Chief Executive Officer

The chief executive officer of the institution is responsible for compliance with state law and these provisions when any indebtedness is incurred.

~~5. Expenditure of Excess Revenue~~

~~Expenditure of project revenues over and above that pledged or otherwise encumbered to meet the indebtedness is limited to expenditures for projects identified in the bond's Official Statement. Expenditure of excess revenue for other projects requires prior Board approval. Expenditures between two hundred fifty~~

December 2014~~3~~

~~thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval from the executive director and expenditures greater than five hundred thousand dollars (\$500,000) require prior Board approval.~~

### 3. Debt Policy

Debt financing allows an institution to pay for an project over a period of time, not to exceed the project's useful life, rather than pay for it entirely at the time of purchase. This is a financially responsible practice for certain types of capital projects within appropriate limitations and acceptable interest rates. Examples of debt financing include bonds, loans or capital leases. Debt capacity is a valuable tool for an institution and must be managed thoughtfully using a strategy which incorporates current and future financing needs.

#### a. Objectives

- i. To provide a guideline on the individual and collective total use of debt financing to support the capital needs of an institution governed by the Board while balancing institutional objectives with achieving the lowest overall cost of capital relative to current credit market terms and structure risk.
- ii. To provide selected financial ratios with specific targets to ensure appropriate financial parameters that enable an institution to maintain access to capital markets through an acceptable credit rating as determined by a rating agency (Moody's, Standard and Poor's, or Fitch's Investors Service).

#### b. Principles for Structuring Debt Financing

- i. An institution will consider its debt portfolio holistically so as to optimize the debt portfolio for the entire institution, rather than only on a project-by-project basis, while taking into account an institution's cash and investments. An institution will manage the timing and overall level of debt to provide low-cost and timely access to the capital markets. An institution will balance the goal of achieving the lowest cost of capital with the goal of limiting exposure to interest rate risk, other financing and credit risks and on-going requirements. For preservation of the debt capacity and the security for debt financing, debt may be used for projects with the available and permissible revenue obligation pledge of an institution as security.
- ii. A project can be considered for debt financing if there is an identifiable repayment source and, where required, an additional reserve fund or income from unrestricted resources to be utilized should intended repayment sources become unavailable.
- iii. Debt issues will be coordinated by each institution to the extent it is advantageous so that multiple projects can be accommodated in a single borrowing to reduce overall issuance cost per dollar of debt issued.

- iv. Internal resource loans from unrestricted funds may be used for interim financing until long-term financing can be completed in compliance with IRS regulations.
- v. Institutions may issue fixed or variable rate debt financing instruments. Fixed rate debt provides more long-term interest rate stability than variable rate debt, and therefore will typically be the financing instrument of choice. However, variable rate debt may be appropriate where it is desirable to: provide repayment/restructuring flexibility; benefit from historically lower average interest costs; diversify the debt portfolio; and/or provide a hedge to short-term investment balances.
  - a) An institution shall evaluate the following four (4) key risk categories associated with a debt offering to finance capital projects when considering the choice between variable or fixed rate debt structures.
    - i) Rate Risk: the risk that short-term interest rates will increase beyond an institution's debt service provisions, thereby, taking resources away from the other competing programs or uses. Cost-effective interest rate hedge instruments should be considered to mitigate variable rate debt exposure.
    - ii) Tax Risk: the risk that federal tax changes could raise the cost of variable rate debt.
    - iii) Liquidity or Funding Risk: the possibility that buyers in the market would not be willing to buy the bonds sold by current investors during the regular remarketing schedule, causing either an institution or its letter of credit bank to need to purchase those bonds when presented for sale on the market. In addition, an institution considering variable rate debt will give consideration to renewal and repricing factors associated with any supporting letter of credit.
  - b) In order to limit exposure to interest rate risk, an institution's amount of variable rate debt outstanding should not exceed twenty percent (20%) of an institution's total debt portfolio without prior Board approval.
- vi. Institutions will actively consider current or advanced refunding opportunities of outstanding debt when:
  - a) the net present value savings are positive, or
  - b) the refunding will support a strategic need of an institution by providing an opportunity to change debt amortization, or eliminate unwanted covenants or tax regulation.

c. Debt Capacity Review

December 2014~~3~~

i. In an effort to meet the objectives of this policy, the Board has established a limit for overall debt using a debt burden ratio which measures an institution's dependence on debt as a fund source for financing its operations and the relative cost of debt to an institution's total expenditures. By maintaining an appropriate proportion of debt service to expenditures, other critical and strategic needs can be met as part of the expense base. The limit for this ratio is to be no greater than 8.0%. The ratio is expressed in the following equation:

$$\frac{\text{Actual Debt Service}}{\text{Annual Adjusted Expenses}} \leq 8\%$$

- ii. The numerator of this ratio includes: institution interest expense plus institution principal payments
- iii. The denominator of this ratio includes: institution total operating expenses plus institution total nonoperating expenses minus institution depreciation expense plus institution principal payments

d. Investor Disclosure and Continuing Disclosure Obligations

Each institution has an obligation under federal law to provide relevant and timely disclosure to bond investors of material events and other institutional information via the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system.

e. Taxable debt

Taxable debt is appropriate in instances where projects do not qualify for tax-exempt financing, certain situations exist whereby the planned future use of the project may materially change to permit more federally funded research-based and/or commercial-related activities that potentially violate current tax-exempt financing laws, or when the taxable rate premium is offset by other cost savings. An institution shall perform an analysis to support determination that taxable debt is warranted.

f. Short-term or interim debt

An institution may enter into short-term borrowing agreements to provide interim financing for projects or portions of projects for which an institution ultimately intends to issue long-term debt. Short-term borrowing is subject to the same approvals, limits and ratio calculations as long-term debt.

h. Requesting Approval to Issue Debt

i. In addition to the preliminary official statement and bond resolution documents, an institution shall provide to the Board supporting documents including, but not limited to, rating agency rating report(s), debt service to

budget graph, and a ten (10) year debt projection including all revenue assumptions.

ii. The debt burden ratio shall be calculated to show the effect of a new debt issue.

I. Post-Issuance Monitoring Report

Two years following a project purchase or completion for which debt was issued in whole or in part, the institution shall present, as an information item at a regularly scheduled meeting of the Board, a report on debt service revenue assumptions including, but not limited to, capital campaigns, gate or program revenue, and student tuition and fee revenue.

j. Financial Reporting

The executive director may adopt certain reporting requirements in the area of issuance of debt by institutions, and such reports shall be provided at a date specified and contain information as prescribed by the executive director.

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**BUSINESS AFFAIRS & HUMAN RESOURCES**  
**OCTOBER 17, 2013**

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Amendment to increase term of NIKE, Inc. agreement

**REFERENCE**

April 2012 Board approved six year multi-sport product supply and sponsorship agreement with NIKE, Inc.

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.a

**BACKGROUND/DISCUSSION**

Boise State University (BSU) seeks approval to extend its current multi-sport product supply and sponsorship agreement with NIKE, Inc. for an additional two years, with a new end date of June 30, 2019.

The contract extension will ensure that Boise State Athletics remains an all-NIKE program. Continued use of NIKE, Inc. as the exclusive uniform, equipment and side-line apparel provider for the athletics program is both a compliment to the program and a major recruiting tool for student-athletes.

Contract terms will continue to apply to all varsity sports under one agreement. NIKE, Inc. will provide equipment and apparel for all varsity sports, coaches and the athletics' department as stated in the existing agreement. An increase to the annual product allotment under the proposed amendment is outlined below.

**IMPACT**

A comparison of the annual product allotment under the existing agreement and proposed amendment follows:

	<u>Existing Agreement</u>	<u>Proposed Amendment</u>
Year 1 (2011-2012)	\$850,000	
Year 2 (2012-2013)	\$850,000	\$925,000
Year 3 (2013-2014)	\$1,000,000	\$1,075,000
Year 4 (2014-2015)	\$1,000,000	\$1,075,000
Year 5 (2015-2016)	\$1,150,000	\$1,150,000
Year 6 (2016-2017)	\$1,150,000	\$1,225,000
Year 7 (2017-2018)		\$1,225,000
Year 8 (2018-2019)		\$1,225,000
<b>Total</b>	<b>\$6,000,000</b>	<b>\$7,900,000</b>

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Under the proposed amendment, the University will also receive an additional \$50,000 in cash compensation for each year of the two year extension as noted below:

Year 1 (2011-2012)	\$30,000
Year 2 (2012-2013)	\$30,000
Year 3 (2013-2014)	\$40,000
Year 4 (2014-2015)	\$40,000
Year 5 (2015-2016)	\$50,000
Year 6 (2016-2017)	\$50,000
<b>Year 7 (2017-2018)</b>	<b>\$50,000</b>
<b>Year 8 (2018-2019)</b>	<b>\$50,000</b>
<hr/>	
Total	\$340,000

All other contract terms, including additional performance bonuses, remain the same.

**ATTACHMENTS**

Attachment 1 – Proposed amendment

Page 5

**STAFF COMMENTS AND RECOMMENDATIONS**

This is a request by BSU to extend an exclusive all-sport product and apparel supply agreement with NIKE.

The current contract contains a “BCS Adjustment” provision that if BSU’s football program should join an Automatic Qualifying BCS conference then the yearly product allowance would be increased by \$75,000 per year. This contractual provision is deleted in its entirety in the proposed contract extension, but the product allowance would still increase under the extension by \$75,000 for years 3 and 4, and by another \$75,000 for years 6, 7 and 8.

The cash compensation referenced above under “Impact” may be reduced by NIKE, at its sole discretion, if there is a change in BSU’s football coach.

Consistent with the current contract, performance bonuses are payable upon achievement of certain events, such as the football team participating in and/or winning a BCS Bowl Game or BCS National Championship, and men’s or women’s basketball participating in and/or winning conference and/or NCAA Championships as follows:



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**Football Bonuses\***

Plays in a non-BCS "Tier I" Bowl Game**	\$10,000
Plays in a BCS Bowl Game	\$25,000
Wins National Championship	\$25,000

**Men's Basketball Bonuses\***

Wins Regular Season Mountain West Championship	\$ 5,000
Wins Mountain West Tournament	\$ 5,000
Plays in NCAA Sweet Sixteen	\$10,000
Plays in NCAA Final Four	\$25,000
Wins NCAA Championship	\$25,000

**Women's Basketball Bonuses\***

Wins Regular Season Mountain West Championship	\$ 2,500
Wins Mountain West Tournament	\$ 2,500
Plays in NCAA Sweet Sixteen	\$ 5,000
Plays in NCAA Final Four	\$10,000
Wins NCAA Championship	\$15,000

\* Bonuses shall be cumulative, i.e., if men's basketball achieves all of the above performances, BSU would earn \$70,000 in bonuses.

\*\* A Tier I bowl shall be deemed any bowl having a team payout of \$1.9 million or more.

In consideration of the products, apparel, and cash compensation specified in this agreement, BSU would agree to provide NIKE specified sponsor benefits including a specified number of season tickets to home games and tournament/championship/bowl games (if applicable) for all sports.

**BOARD ACTION**

I move to approve the request by Boise State University to extend its multi-sport product supply and sponsorship agreement with NIKE, Inc. for an additional two years, as outlined herein.

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

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June 25, 2013

Mr. Mark Coyle  
 Director of Athletics  
 Boise State University  
 1910 University Drive  
 Boise, ID 83725

RE: Extension of the All-Sport Agreement

Dear Mark:

This will serve as the first amendment of the Boise State University-NIKE All-Sport Agreement, having a commencement date of August 1, 2011 (the "Agreement"), confirming the extension and the other agreed modifications. Effective as of the full execution of this Amendment (the "Amendment Date"), UNIVERSITY and NIKE agree that the Agreement is amended as follows:

1. Paragraph 1 - Definitions, sub-section (f) shall be deemed deleted and replaced by the following:
  - (f) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the Term of this Agreement; except that the First Contract Year shall be the period from August 1, 2011 until June 30, 2012.
2. As of the Amendment Date, the "Term" shall be extended for two (2) additional "Contract Years" to commence July 1, 2017 to June 30, 2018 (i.e., the 7th Contract Year) and from July 1, 2018 to June 30, 2019 (i.e., the 8th Contract Year).
3. As of the Amendment Date, the Product Consideration (i.e., "Annual Product Allotment") chart in Paragraph 6(a), and annual Cash Consideration (i.e., "Base Compensation") chart in Paragraph 9(a), shall be amended to include the following (for avoidance of doubt, Annual Product Allotment for the 1st Contract Year and Base Compensation for the 1st-6th Contract Years are restated below for convenience only):

Contract Year	Annual Product Allotment*	Base Compensation
1st Contract Year (2011-12)	\$ 850,000	\$30,000
2nd Contract Year (2012-13)	\$ 925,000	\$30,000
3rd Contract Year (2013-14)	\$1,075,000	\$40,000
4th Contract Year (2014-15)	\$1,075,000	\$40,000
5th Contract Year (2015-16)	\$1,150,000	\$50,000
6th Contract Year (2016-17)	\$1,225,000	\$50,000
7th Contract Year (2017-18)	\$1,225,000	\$50,000
8th Contract Year (2018-19)	\$1,225,000	\$50,000

\* Such amount shall be valued at retail value.

As of the Amendment Date, the maximum carry-over of One Hundred Thousand Dollars (\$100,000) of unordered Annual Product Allotment permitted by UNIVERSITY as set out in Paragraph 6(a) shall be permitted through the 7th Contract Year.

4. Paragraph 6(c) shall be deemed deleted in its entirety.
5. The Exclusive Negotiating End Date in Paragraph 15(a) shall be amended to be May 1, 2018, and the reference in Paragraph 15(b) to June 30, 2017 shall be amended to be June 30, 2019. For avoidance of doubt, NIKE shall continue to have a 90-day right of first refusal period from the end of the Term to match any bona fide third party offer received by UNIVERSITY at any time on or after the Exclusive Negotiating End Date with respect to Product Supply/Sponsorship.

Except as modified by this Amendment, all defined terms used within this Amendment shall have the same meaning ascribed to them under the Agreement, all other terms and conditions of the Agreement shall remain in full force and effect, and all rights and obligations under this Amendment shall be exercised consistent with the Agreement. If UNIVERSITY is in agreement with

**ATTACHMENT 1**

the terms of this Amendment, please so indicate by due execution of this Amendment and return of same to me for counter-signature on behalf of NIKE.

NIKE is pleased to have reached this new agreement and looks forward to the continued mutual benefits of our key partnership.

Sincerely,

Kit Morris  
Director, College Sports Marketing

**AGREED:**  
Boise State University

By: \_\_\_\_\_

Its: \_\_\_\_\_

**BUSINESS AFFAIRS & HUMAN RESOURCES**  
**OCTOBER 17, 2013**

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Purchase of Phoenix Thermal Ionization Mass Spectrometer

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.

**BACKGROUND/DISCUSSION**

Boise State University (BSU) seeks approval to purchase a thermal ionization mass spectrometer from Isotopx for the department of Geosciences.

The new spectrometer will complement existing equipment including the previous generation thermal ionization mass spectrometer and the laser ablation inductively coupled plasma mass spectrometer. The spectrometer will provide the necessary capacity to complete current projects funded by the National Science Foundation (NSF), maintain cost recovery center operations in the associated isotope geology laboratory, and assist Geosciences to compete for a national multi-user facility grant through NSF.

**IMPACT**

The cost of the mass spectrometer is \$744,036. Funding for this purchase will be provided by an NSF grant. No facility improvements are required for installation of the spectrometer.

**ATTACHMENTS**

Attachment 1 – Isotopx quote

Page 3

**STAFF COMMENTS AND RECOMMENDATIONS**

Board policy V.I.3. provides that purchases for personal property exceeding \$500,000 requires prior Board approval. Staff recommends approval.

**BOARD ACTION**

I move to approve Boise State University's request to purchase a thermal ionization mass spectrometer in substantial conformance with Attachment 1.

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

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# Phoenix<sup>X</sup> Quotation

Quote	1343R1
Date	9-5-13
Page	Page 1 of 4

# Isotop<sup>x</sup>

Excellence in mass spectrometry

## QUOTATION FOR

Mark Schmitz 208-426-5907  
Boise State University  
Department of Geoscience  
1910 University Drive  
Boise, ID 83725-1535

## FROM

Laurie Lee Lischer  
Office Manager  
Cell 508-216-4018  
Phone 508-337-TIMS (8467)  
Fax 508-337-8469  
Email: [laurie.lischer@isotopx.com](mailto:laurie.lischer@isotopx.com)

Qty	Number	Description	Item Price USD	Total USD
1	Phoenix Base System	<b>Phoenix Thermal Ionization Mass Spectrometer.</b> UHV Stainless Steel Construction of vacuum envelope. Oil free 700l/s air cooled ceramic bearing Pfeiffer Hi-Pace Turbomolecular Pump, Oil Free Scroll Backing Pump Liquid Nitrogen cold trap to enhance source vacuum 20 Sample sample magazine with 20 bead blocks Plug-in high sensitivity lens stack Positive and Negative ion Operation at +/-8KV. VAT Isolation valve between source and analyser vacuum Wide flight tube allowing simultaneous multicollecion of up to 20% relative mass 54cm effective radius air cooled electromagnet, with rotated focal plane, 40l/s and 70l/s ion pumps to analyser vacuum 9 Faraday collectors each individually and independently movable under computer control Peltier Cooled (16oC +/-0.02) and Evacuated Amplifier housing with Xact amplifier boards equipped with 1e11 ohm resistors Embedded PC system controller Data system with Ionvantage Software Two 19" monitors	\$ 544,500	\$ 544,500
1	INSTALL	Installation and Acceptance of Phoenix system and accessories. 4 to 6 weeks duration to standard published instrument specifications on user prepared site. Site Checklist must be returned prior to installation.	Included	Included
1	WARRANTY2	Warranty for two year parts and labor excludes preventative visit.	Included	Included
<b>Source Options</b>				
1	M583322CC3	Pyrometer	\$ 20,625	\$ 20,625
1	M699076CC3	Gas Bleed Introduction System	\$ 5,445	\$ 5,445
20	90009055	Inner filament with electron divergence magnet for -ve ion (price each)	\$ 33	\$ 660

Phoenix January 2012

Isotopx Inc.  
5533 Clark Road  
Conesus NY 14435

Tel: 508-337-TIMS (8467)  
Fax: 508-337-TIMZ (8469)

[info@isotopx.com](mailto:info@isotopx.com)  
[www.isotopx.com](http://www.isotopx.com)

# Phoenix Quotation

# Isotopx

Excellence in mass spectrometry

Quote	1343R1
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Qty	Number	Description	Item Price USD	Total USD
<b>Analyzer Options</b>				
1	Daly	Axial ion counting Daly detector behind Faraday collector array. 10 year warranty.	\$ 42,900	\$ 42,900
1	M749402DC2	WARP (Wide Aperture Retarding Potential) filter for high abundance sensitivity measurements on the axial Daly or SEM	\$ 41,250	\$ 41,250
1	SEM_D	Axial secondary electron multiplier behind ion counting Daly detector	\$ 19,800	\$ 19,800
<b>Spares</b>				
1	M524168DC1	Spare Collimator	\$ 10,725	\$ 10,725
1	M699016DD1	Spare 6 litre liquid nitrogen Cold Trap	\$ 4,125	\$ 4,125
1	M583315DC1	Spare filament contact assy	\$ 4,455	\$ 4,455
5	M524167BC1	Spare collimator entrance slit 0.7mm	\$ 182	\$ 908
1	M611002CC2	Spare 20 sample turret with 20 bead blocks	\$ 13,695	\$ 13,695
1	M247846BD1	Bead Block Exit Slits (1000)	\$ 1,815	\$ 1,815
5	M577079BC1	Bead Blocks, Mounting block assemblies	\$ 400	\$ 2,000
<b>Accessories</b>				
9	90009069	Amplifier Board with 1E11 Ohm resistor 10E-11 100G	\$ 2,723	\$ 24,503
1	90009073	Calibration board for 1e11 Ohm Resistor	\$ 3,630	\$ 3,630
<b>Filaments</b>				
1	DG60	Degas Bench, to clean 60 filaments simultaneously	\$ 60,000	\$ 60,000
1	1785145	USA compatible Transformer (for Degas Bench)	\$ 2,400	\$ 2,400
80	T3008829	25 Filaments, Blank (Centre)	\$ 112	\$ 8,960
<b>Training</b>				
1	TRAINING	Training, On Site. Basic training performed by installation engineer immediately following sign-off (2 days max)	Included	Included
<b>System Price</b>				<b>\$812,395</b>
1	FREIGHT	Shipping and Handling to Boise loading dock	\$ 10,000	\$ 10,000
<b>SYSTEM PRICE DELIVERED</b>				<b>\$ 822,395</b>
1	Discount	Educational and Second System Discount		\$ 123,359
<b>TOTAL SYSTEM PRICE</b>				<b>\$ 699,036</b>

Phoenix January 2012

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# Phoenix<sup>X</sup> Quotation

# Isotop<sup>x</sup>

Excellence in mass spectrometry

Quote	1343R1
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Qty	Number	Description	Item Price USD	Total USD
<b>Additional Options</b>				
1	X62	X62 extended optics to allow simultaneous measurement of uranium oxide	\$ 7,500	\$ 7,500
1	1000001DC1	DECABIN NINE 100G AMPS Complete Decabin with 1012 ohm resistors Including 9 amplifier boards and calibration board with Tau correction settings Plug and Play	\$ 32,500	\$ 32,500
<b>Upgrade to IsoProbe T</b>				
1	Daly Upgrade	New Daly Detector with Hamamatsu Photomultiplier for IsoProbe T system	\$ 20,000	\$ 20,000
<b>Options List Price</b>				<b>\$60,000</b>
1	Discount	25% Discount for all options and order with Instrument		\$ 15,000
<b>Options</b>				<b>\$ 45,000</b>
<b>TOTAL SYSTEM PRICE WITH OPTIONS</b>				<b>\$ 744,036</b>

## Terms

<b>Payment</b>	Prices are end user. Payment terms of 50% upon receipt of order, 40% upon shipment, balance on installation and acceptance of standard specifications, on receipt from Invoice date. Import duty and customs fees and sales tax not included.
<b>Shipping</b>	<b>DAP (Delivered at Place) Boise State Loading dock. Price excludes customs fees, duty fees, and clearance charges.</b>
<b>Delivery</b>	<b>Four to six months</b> from acceptance of order or sooner depending on configuration subject to completion and approval of European export regulations. A signed EUU (End User Undertaking) is required 30 days from receipt of order.
<b>Validity</b>	Quotation is valid for 60 days.
<b>Training</b>	The engineer will provide basic instruction for the operator during installation which covers operation and maintenance of the instrument. Additional training courses are available

Phoenix January 2012

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# Phoenix<sup>X</sup> Quotation

Quote	1343R1
Date	9-5-13
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# Isotop<sup>X</sup>

Excellence in mass spectrometry

**Installation:** Installation to specifications on user prepared site. The Site Checklist from the **Phoenix Site Planning Guide** must be returned prior to shipment. All necessary services must be in place prior to shipment and installation. Installation will commence immediately after delivery for a duration of 4-6 weeks on standard configuration and specifications. Installation may take longer depending on complexity of configuration and non-standard specifications. Installation by non-US citizens.

**Warranty:** Standard 24 months warranty on parts and labor from installation for new instruments unless otherwise quoted. A delay of more than 60 days between delivery and installation through no fault of Isotopx will affect warranty on original equipment manufacturer parts (such as rotary pumps, turbo pumps). All instruments are backed by a 10 year warranty for Faraday and Daly.

**Notes:** Isotopx retains the right to substitute any item with one of equal or greater performance without notice. Prices of options and accessories are valid only if ordered at the same time as the basic instrument

Please see our website, [www.isotopx.com](http://www.isotopx.com), for detailed information on our warranty, service and general terms and conditions as part of this quotation.

## Contact and Company Information

### X Correspondence/Orders/Remit to

Laurie Lischer  
Isotopx Inc  
5533 Clark Road  
Conesus NY 14435 USA

Phone 508-337-TIMS (8467)

Fax 508-337-8469

Email: [laurie.lischer@isotopx.com](mailto:laurie.lischer@isotopx.com)

### X Manufacturing

Isotopx Limited  
Unit 1A Millbrook Court  
Midpoint 18 Aston Way  
Middlewich, Cheshire  
CW10 0GE, UK

Phone 44-1606-839-810

Fax 44-1606-839-811

### X Company Information

EIN: 26-2019837  
DUNS: 809623155  
NAICS: 334516  
Cage Code: 50HJ0  
SBA Type: Small

### X Bank/Wire Details

Bank: Citizens Bank  
Address: 1 Citizens Drive  
Riverside RI 02915  
Bank ABA: 211070175  
Account # 1311727008  
Bank Phone 800 922 9999

Phoenix January 2012

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# Terms and Conditions

## Boise State University



Excellence in mass spectrometry

### Service Terms and Conditions

Isotopx (we) agrees to provide service, during the period specified in this agreement to maintain the equipment in good operating condition. The service includes scheduled routing maintenance and unscheduled emergency service to the extent specified.

1. **Emergency Service:** when the equipment requires service beyond the normal cleaning, maintenance, and care normally performed by the customer, We will provide an engineer or agent to perform the repair. Emergency service will be provided on an unscheduled basis when notified by the customer that the equipment is inoperable. The customer is required to call Isotopx at 508-337-TIMS to report the problem. An engineer will contact the customer to determine the extent of the problem and will schedule service as deemed necessary.
2. **Preventative Maintenance:** An engineer will take those actions necessary to ensure that the equipment covered by this agreement is functioning properly. The engineer will inspect, clean, adjust, verify operation and perform general system test. It is understood that ordinary cleaning, maintenance, and care will be performed by the customer as specified in the user's manual. Preventative maintenance may be performed concurrently with emergency service or scheduled based on the needs of the individual equipment as detailed in the agreement. Advance notice for PM visits is 21 days.
3. **Parts:** Under the Platinum and to the extent outlined in the Gold agreement, we agree to replace or exchange free of charge (including shipping) such repair parts which in our opinion are required to restore the instrument to proper working order. Loaner equipment (if available) will be provided. Consumable items, computers, and peripherals are not included. We offer a discount on parts to the extent specified (customer is responsible for shipping charges). Parts are subject to the standard Isotopx warranty terms and conditions.
4. **Labor** is provided during normal business hours 9AM-5PM Monday through Friday excluding Isotopx holidays to the extent specified. Any labor beyond these limits will be charged at prevailing rates. Discounted labor rates for additional service is offered for Gold agreements, this also includes reduced rates for training.
5. **Expenses:** All travel expenses associated with emergency service are covered to the limit specified in the agreement, thereafter, they are billed as actual travel expenses. These include but are not limited to airfare, lodging, car rental, meals and other transportation expenses (parking, tolls, mileage, gas etc)
6. **Eligibility:** Inspection of the equipment prior to execution of the agreement that is not currently under warranty or covered by Platinum or Gold agreement may be required to ascertain that the equipment is in proper working order. This may be accomplished by sending data proof or a site inspection visit. The inspection charge and subsequent repair charges, if any, will be borne by the customer. If no major repairs are required, this inspection may be considered as the first routine visit if not separately paid for..
7. **Training:** is not provided under this agreement but, can be arranged and will be billed separately at standard prevailing rates.
8. **Moving equipment:** This agreement does not provide for any work required moving the equipment from its location at the time of this agreement to a new location. We will assist in disassembly, crating and reinstalling the equipment and will bill at standard prevailing rates.
9. **Modifications or alterations** shall not be made to the equipment without the consent of Isotopx. Any unauthorized modifications will void all warranties. If Isotopx makes any agreed upon modifications or additions to the equipment at the customer's request, the charges for such parts and services will be billed to customer separately from this agreement at standard rates.
10. Isotopx is not responsible for, or under any obligation to provide, service under this agreement if the equipment has been damaged resulting from external causes such as accident, adverse power conditions, water damage, electrical interferences, misuse, abuse, neglect, acts of God or damage caused by parts or service performed by persons other than Isotopx or its authorized agents.
11. Isotopx nor its suppliers, or authorized agents shall be liable, whether in contract or tort or under any other legal theory, for loss of use, revenue or profit, or for cost of capital or of substitute use or performance, or for incidental, indirect, or special or consequential damages, or for any other loss or cost of similar type, of for claims by purchaser for damage of purchaser's customers. Likewise, we shall not, under any circumstances, be liable for the fault, negligence, or wrongful acts of purchasers, purchaser's employees, or purchaser's other contractors or suppliers.
12. **Warranty:** Isotopx warrants that the service performed hereunder will be competent and in accordance with industry practices. Isotopx does not warranty under this agreement unless expressly stated otherwise, the fitness or suitability of the equipment on which the services are performed, or any modification thereof, for any specific application or use. The liability of Isotopx in connection with the foregoing warranty shall not in any case exceed the cost of repairing, replacing, or re-performing the services. Warranty for service (for identical problem), replacement, exchange, and consumable parts is 30 days. Upgrade warranty is 90 days. NO OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED, IS MADE WITH RESPECT TO THE PRODUCTS AND/OR SERVICES. ISOTOPX EXPRESSLY EXCLUDES THE IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE.

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 Conesus NY 14435  
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 www.Isotopx.com

# Terms and Conditions

## Boise State University



Excellence in mass spectrometry

### General Terms and Conditions:

1. Acceptance - Buyer's acceptance of the offer to purchase the products and/or services set forth on the front page made by Isotopx of this quotation shall create a contract subject to and expressly limited by the terms and conditions contained on this form. Acceptance of this quotation may only be made on the exact terms and conditions set forth on this quotation; if additional or different terms are proposed by Buyer, such additional or different terms shall not become a part of the contract formed by Buyer's acceptance of the quotation. Receipt of the products sold hereunder or commencement of the services provided hereunder shall be deemed acceptance of the terms and conditions of this quotation.

2. Taxes and Payment - Any tax, duty, custom or other fee of any nature imposed upon this transaction by any federal, state or local governmental authority shall be paid by Buyer in addition to the price quoted. In the event Isotopx is required to prepay any such tax or fee, Buyer will reimburse Isotopx. Payment terms in US funds shall be net thirty (30) days after shipment unless otherwise stated in this quotation. An interest charge equal to 1 1/2% per month (18% per year) will be added to quotations outstanding beyond 30 days after shipment. In addition, Isotopx reserves the right, in its sole discretion, to require C.O.D. payment terms from any Buyer. Isotopx may also refuse to sell to any person until all prior overdue accounts are paid in full.

3. Delivery and Shipment - Unless specified in the agreement, standard delivery terms shall be F.O.B. Isotopx distribution point; identification of the products shall occur when they leave Isotopx distribution point at which time title and risk of loss shall pass to Buyer. All shipment costs shall be paid by Buyer and if prepaid by Isotopx the amount thereof shall be reimbursed to Isotopx. Isotopx will make reasonable commercial efforts to ship the products or provide the services hereunder in accordance with the delivery date set hereof provided, that Isotopx accepts no liability for any losses or for general, special or consequential damages arising out of delays in delivery.

4. Warranty - The products and/or services shall be covered by the applicable Isotopx standard warranty, a copy of which is supplied with the products and/or services or upon request. NO OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED, IS MADE WITH RESPECT TO THE PRODUCTS AND/OR SERVICES. ISOTOPX EXPRESSLY EXCLUDES THE IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. Any model or sample furnished to the Buyer is merely illustrative of the general types and quality of goods and does not represent that the products will conform to the model or sample. Buyer's remedies under Isotopx warranty shall be limited to repair or replacement of the product or component which failed to conform to Isotopx applicable standard warranty. Isotopx SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR ANY OTHER INDIRECT DAMAGES RESULTING FROM ECONOMIC LOSS OR PROPERTY DAMAGE SUSTAINED BY BUYER FROM THE USE OF ITS PRODUCTS OR SERVICES. STANDARD WARRANTY: Isotopx will repair or replace any part of the equipment (instruments) of their manufacture that proves to be defective within one year of installation. A service contract is available for continuation of after warranty service at a reasonable annual charge. Equipment supplied by Compaq, IBM, Agilent Technologies, Nasal, etc. will be subject to each such manufacturer's original warranty. Warranty for service (for identical problem), replacement, exchange, and consumable parts is 30 days. Upgrade warranty is 90 days.

5. Returned Goods - Isotopx may, in its sole discretion, authorize product or core returns in appropriate circumstances, subject to such conditions as Isotopx may specify. Any such return shall be subject to the express prior written authorization of Isotopx and may be subject to payment by Buyer of a restocking charge, typically 20%. No returns will be authorized after 120 days following shipment to Buyer.

6. Exchange/Refurbished parts- Isotopx offers some used, refurbished, exchanged parts for sale at a discount. In order to be eligible to receive the discount the core return of the part is required at the buyers expense. If the bad part is not returned, buyer agrees to forego all discounts, pay list price and a 10% administration fee.

7. Cancellation-the contract may thereafter be terminated by the customer prior to delivery of the product, but the customer shall pay Isotopx a cancellation charge to reimburse Isotopx for its labor, material and overhead costs and any other costs incurred by Isotopx in the performance of the contract. Isotopx shall solely determine the amount of the said reimbursement (typically 20%). For service agreements, 30 days advance written notice is required. The Buyer will be responsible for payment of all actual expenses, labor, travel, parts incurred during the agreement or the contract value to date whichever is more. All outstanding charges must be paid prior to reimbursement of any monies paid in advance on the contract. Isotopx reserves the right to cancel this agreement for any covered equipment over seven years of age if repair parts should be unavailable for such equipment. In the event of such termination, we shall provide a prorated refund to you based upon amounts previously paid under this agreement for the remaining portion of the term or actual labor expenses and parts.

8. Modifications, Waiver, Termination - The contract formed by Buyer's acceptance of this quotation may be modified and any breach thereunder may be waived only by a written and signed document by the party against whom enforcement thereof is sought.

9. Isotopx's Right of Possession, etc. - Buyer hereby grants Isotopx a purchase money security interest in the goods offered by this quotation to secure the due and punctual payment of the purchase price specified in this quotation. In the event of default by Buyer in any payment due Isotopx, Isotopx shall have the right, in addition to any other remedies it may have at law or in equity, to withhold shipment, to recall goods in transit and retake the same, to repossess any goods which may be stored with Isotopx for Buyer's account without the necessity of Isotopx initiating any other proceedings. Isotopx shall have all of the rights and remedies of a secured party under the commercial laws of the State of Delaware and may exercise all such rights and remedies in accordance therewith. Buyer shall execute such documents as Isotopx may request to effectuate the foregoing security interest.

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# Terms and Conditions

## Boise State University



Excellence in mass spectrometry

10. Agents, etc. - No agent, employee or other representative has the right to modify or expand Isotopx standard warranty applicable to the products and/or services or to make any representations as to the products other than those set forth in the applicable user or operator's guide delivered with the products, and any such affirmation, representation or warranty, if made, should not be relied upon by Buyer and shall not form a part of contract between Isotopx and Buyer for the purchase of the products or services.

11. Fair Labor Standards - The products or services provided hereunder were produced and/or performed in compliance with the requirements of all sections of the Fair Labor Standards Act of 1938 as amended.

12. Equal Employment - Isotopx is an Equal Opportunity Employer. It does not discriminate in any phase of the employment process against any person because of race, color, creed, religion, national origin, sex, age, veteran or handicapped status.

13. Governing Law - The contract formed by Buyer's acceptance of this quotation shall be governed by and construed in accordance with the laws of the State of Idaho, U.S.A.

14. Export Buyer shall comply fully with all applicable provisions of the United States Export Control Laws as may be in effect for any of the products and shall seek, whenever required, at its own expense, export licenses from the United States Department of Commerce prior to any export of the products and shall further assure compliance with all reexport restrictions of such United States Export Control Laws.

15. Deleted.

16. Software - To the extent there is any software included with the products, the software is being licensed, not sold and all rights, title and interest therein shall remain with Isotopx. Use of the software shall be in accordance with the applicable software license delivered with the products. U.S. Government Restricted Rights - RESTRICTED RIGHTS LEGEND. Use, duplication or disclosure by the Government is subject to restrictions as set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 or subparagraphs (c)(1) and (2) of the Commercial Computer Software -Restricted Rights clause at 48 CFR 52.227-19, as applicable. SOFTWARE: Isotopx undertake to provide software maintenance and updates free of charge during the warranty period. This undertaking is only valid provided there are no hardware changes that are necessary to allow the updated software to be installed and operate correctly. All software is protected by copyright. At no time shall copies be made either with the user permission or knowledge for the use of any third party. Any such unauthorized copy will leave the customer and his agent open to legal action.

17. Force Majeure - Isotopx shall have no liability for failure to perform, or delay in performance, in the delivery of any and all equipment manufactured or sold by Isotopx including instruments, supplies, components, systems, chemistry, accessories, replacement spare parts, or any and all services provided by Isotopx, caused by circumstances beyond its reasonable control including, but not limited to, acts of God, acts of nature, floods, fire, explosions, war or military mobilization, United States governmental action or inaction, request of governmental authority, delays of any kind in transportation or inability to obtain material or equipment, acts of other governments, strikes, or labor disturbances.

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Except as provided in the immediately preceding paragraph, Isotopx shall defend any suit or proceeding brought against the purchaser, so far as based on a claim that any apparatus or any part thereof, furnished under this contract constitutes an infringement of any patent. If Isotopx is notified promptly in writing and given authority, information and assistance (at Isotopx' expense) for the defense of the same, Isotopx shall pay the cost of such litigation, any damages for patent infringement and litigation costs awarded therein against the purchaser up to, but not exceeding the amount of the purchase price of such apparatus. In case said apparatus, or any part thereof, or its operation is held in such suit to infringe and the use of said apparatus or part enjoined, Isotopx shall, at its own expense and option, either procure for the purchaser the right to continue using said apparatus or parts or modify it so it becomes non-infringing or remove said apparatus and refund the purchase price and the transportation costs. The foregoing states the entire liability of Isotopx for patent infringements with respect to said apparatus or any part thereof, or its operation.

19. Additional Terms and Conditions - This quotation is also subject to any Isotopx Special Terms and Conditions applicable to the products or services offered by this quotation, which appear on the front of this quotation. Any variance from the terms and conditions of this quotation in any order or other written notification from Buyer, will be of no effect. Should Buyer order products or services through a Isotopx office located outside of the United States, the terms and conditions of the quotation issued by the office outside of the United States shall govern such order.

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**OCTOBER 17, 2013**

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Information item – Executive Residence Project.

**REFERENCE**

June 20, 2013	Information Item: Discussion of executive residence
August 15, 2013	Approval by the Regents for design and planning expenditures up to \$75,000 for modernization, including potential replacement, of the executive residence. Approval of a resolution authorizing the University to reimburse planning and design expenditures from future bond proceeds.

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.K.1 and V.K.3.a.

**BACKGROUND/DISCUSSION**

Following the June 20, 2013 board meeting and discussion therein regarding the University's executive residence, President Burnett appointed an advisory committee to explore the full extent of options reasonably available to the University, with focus on a high-quality facility that also "reflect[s] the Idaho values of prudence and practicality." The University will report to the Board on the work done to date through the advisory committee in this regard.

**IMPACT**

This is an information item only. There is no financial impact.

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff has no comments or recommendation.

**BOARD ACTION**

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

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