

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

TAB	DESCRIPTION	ACTION
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	AMENDMENT TO BOARD POLICY	
1	Section II.H. – Coaching Personnel and Athletic Directors – First Reading	Motion to approve
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2	BOARD-SPONSORED RETIREMENT PLAN AMENDMENTS	Motion to approve
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BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

Board policy II.H. – Coaching Personnel and Athletic Directors

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section II.F. and II.H.

Idaho Code §59-1606

BACKGROUND / DISCUSSION

The athletic directors (ADs) at the three universities approached staff about revising annual leave accrual for coaches. The ADs identified two areas they would like to address. First, there is a concern that coaches are accruing high annual leave balances (capped by law at 240 hours) and then when they leave the university's employment (either voluntarily or involuntarily) the university has a financial liability (sometime significant) to payout the coach's vacation. Second, staff was told that coaches are unique in that they put in significant hours during the season and then off-season their schedule slows down but depending upon their date of hire they may not have accrued enough leave to take advantage of their time. There was a recent specific case in which a new head coach was hired in late fall and worked significant hours, but when Christmas rolled around he didn't have enough time accrued to travel out-of-state to visit family, so he had to take unpaid leave.

The ADs have requested that coaches not earn or accrue annual leave, but rather take vacation with the approval of the AD. Universities in Washington and Utah have incorporated this type of leave arrangement into their coach contracts.

Idaho Code §59-1606(c) provides that "The state board of education shall determine the vacation leave policies for all officers and employees of the state board of education who are not subject to ... [laws governing classified employees]. To the extent possible, the state board of education shall adopt policies which are compatible with the state's accounting system." As such, the Board has statutory authority to set its own leave policies.

Any new leave policy determined by the Board must be communicated to the State Controller in writing at least one hundred eighty (180) days in advance of the effective date of the policy.

IMPACT

The proposed policy change would provide that head and assistant coaches at the universities would have 192 hours of annual leave per year (or a pro rata share thereof if term of employment started after July 1). The leave would be use-it or lose-it on an annual basis and no cash-out would be allowed for unused leave.

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ATTACHMENTS

Attachment 1 – Section II.H. – first reading

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STAFF COMMENTS AND RECOMMENDATIONS

Lewis-Clark State College (LCSC) has requested authority to continue to operate under current state employee policy with regard to annual leave accrual for its coaches. LCSC has no objection, however, to the universities being given the flexibility to move to a new procedure which may make sense under their circumstances.

The proposed 192 hours of leave is equivalent to 24 days or two days per month which is the same amount of leave non-classified employees earn annually pursuant to Board policy II.F.

As referenced above, the ADs' assert that coaches work significant hours during the program and recruitment seasons, but under the current policy a new coach may not have earned enough leave to take vacation during holidays or when their schedule allows. Staff does not find that argument particularly compelling because the same could be true of almost any new senior-level management position at an institution. Nevertheless, staff brings the policy forward to the Board for its consideration in the interest of helping the ADs best manage their coaches and programs.

This policy change, if approved, would be effective prospectively for new hires and contract renewals. All existing contracts and accrued leave would be grandfathered. If this policy moves to second reading, staff recommends the Board revise the model contract to reflect this leave policy.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board policy section II.H. Coaches and Athletic Directors, with all revisions as presented.

Moved by _____ Seconded by _____ Carried Yes ___ No ___

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: H. Policies Regarding Coachings Personnel and Athletic Directors April-December2013

1. Agreements Longer Than One Year

The chief executive officer of an institution is authorized to enter into a contract for the services of a head coach or athletic director with that institution for a term of more than one (1) year, but not more than three (3) years, subject to approval by the Board as to the terms, conditions, and compensation there under, and subject further to the condition that the contract of employment carries terms and conditions of future obligations of the coach or athletic director to the institution for the performance of such contracts. All such contracts must contain a liquidated damages clause provision in favor of the institution, applicable in the event that the coach or athletic director terminates the contract for convenience, in an amount which is a reasonable approximation of damages which might be sustained if the contract is terminated. A contract in excess of three (3) years, or a rolling three (3) year contract, may be considered by the Board upon the documented showing of extraordinary circumstances. All contracts must be submitted for Board approval prior to the contract effective date. Each contract for the services shall follow the general form approved by the Board as a model contract. Such contract shall define the entire employment relationship between the Board and the coach or athletic director and may incorporate by reference applicable Board and institutional policies and rules, and applicable law. The April 2013 Board revised and approved multiyear model contract is adopted by reference into this policy. The model contract may be found on the Board's website at <http://boardofed.idaho.gov/>.

2. Agreements For One Year Or Less

The chief executive officer of an institution is authorized to enter into a contract for the services of a head coach or athletic director with that institution for a term of one (1) year or less and an annual salary of \$150,000 or less without Board approval. Each contract shall follow the general form approved by the Board as a model contract. Such contract shall define the entire employment relationship between the Board and the coach or athletic director and may incorporate by reference applicable Board and institutional policies and rules, and applicable law. The December 9, 2010 Board revised and approved model contract is adopted by reference into this policy. The single-year model contract may be found on the Board's website at <http://boardofed.idaho.gov/>.

3. Academic Incentives

Each contract for a head coach shall include incentives, separate from any other incentives, based upon the academic performance of the student athletes whom the coach supervises. The chief executive officer of the institution shall determine such incentives.

4. Part-time Coaches Excepted

GOVERNING POLICIES AND PROCEDURES

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: H. ~~Policies Regarding Coachings Personnel~~ and Athletic Directors ~~April-December~~2013

The chief executive officer of an institution is authorized to hire part-time head coaches as provided in the policies of the institution. Applicable Board policies shall be followed.

5. Assistant Coaches

The chief executive officer of the institution is authorized to hire assistant coaches as provided in the policies of the institution. Applicable Board policies shall be followed.

6. Annual Leave

- a. Annual leave for head and assistant coaches at Lewis-Clark State College shall be earned and accrued consistent with non-classified employees as set forth in policy II.F.
- b. All existing contracts and accrued leave held by head and assistant coaches at the universities on the effective date of this policy shall be grandfathered under policy II.F. for purposes of earning and accruing annual leave until the coach's contract renewal or termination, whichever comes first.
- c. Following the effective date of this policy, all head and assistant coach contract renewals and new hires at the universities shall be subject to the following leave provisions:
 - i. Annual leave shall be accounted for on a fiscal-year basis.
 - ii. Coaches shall have one hundred ninety two (192) hours of annual leave effective July 1 of each year or a pro-rata share thereof on the effective date of the coach's appointment. For example, a coach hired on September 1 would have 144 hours of annual leave available.
 - iii. Annual leave may only be taken in the year in which it becomes available pursuant to this policy. Annual leave does not accumulate and cannot be carried over from one year to the next.
 - iv. In the event of contract non-renewal or termination of employment for cause or for convenience (by either the institution or the coach), any unused leave shall be forfeited and a coach shall not be paid for unused leave.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

Board-sponsored Retirement Plan Amendments

REFERENCE

August 2012

Board approved TIAA-CREF Share Class Change/
Revenue Credit Account

APPLICABLE STATUTES, RULE OR POLICY

Idaho Code §33-107A, 107B

Idaho Code §59-513

Idaho State Board of Education Governing Policies & Procedures, Section II.K.

BACKGROUND / DISCUSSION

At its regularly scheduled August 2013 meeting the Idaho State Board of Education approved TIAA-CREF's Share Class Change/Revenue Credit Account proposal for the Board's 401(a), 403(b), supplemental 403(b) and 457(b) retirement plans. These changes must now be incorporated into the corresponding retirement plan documents.

IMPACT

The plan amendments add provisions for an account in each plan to receive payment of excess revenue sharing from fund sponsors and for allocation of excess revenue sharing from this account to participant accounts that generate excess revenue sharing.

ATTACHMENTS

Attachment 1 – Amendments to Board of Education Retirement Plans Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Each Board-approved retirement plan has a controlling plan document with definitions, terms and conditions. These documents need to reflect the Board's previous action to approve revenue credit accounts.

Staff recommends approval.

BOARD ACTION

I move to approve amendments for the Board's Optional Retirement Plan (401(a)), 403(b), supplemental 403(b) and 457(b) plans as set forth in Attachment 1, and to declare said amendments effective August 15, 2013.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Amendments to Idaho State Board Of Education
Optional Retirement Plan, Tax Deferred 403(b) Plan, Section 457(b) Deferred
Compensation Plan and Supplemental Retirement Benefit 403(b) Plan

1. Amend the Idaho State Board of Education Optional Retirement Plan to add the following Section 4.9:

4.9 Revenue Sharing Account. The Plan shall record in an unallocated Plan account any amounts paid to the Plan by Fund Sponsors, and shall invest such unallocated account as directed by the Board or its delegate. As of the last day of each Plan Year, all assets remaining in the unallocated account shall be allocated among the Accumulation Accounts of Participants who have Accumulation Accounts on the last day of the Plan Year. The allocation shall be made in proportion to the value of each Participant's Accumulation Account invested in Funding Vehicles that generate revenue sharing, determined according to the Fund Sponsors' records as of the last day of the Plan Year.

2. Amend the Idaho State Board of Education Tax Deferred 403(b) Plan to add the following section 2.8:

2.8 Revenue Sharing Account. The Plan shall record in an unallocated Plan account any amounts paid to the Plan by Vendors, and shall invest such unallocated account as directed by the Board or its delegate. As of the last day of each Plan Year, all assets remaining in the unallocated account shall be allocated among the Accounts of Participants who have Accounts on the last day of the Plan Year. The allocation shall be made in proportion to the value of each Participant's Account invested in Funding Vehicles that generate revenue sharing, determined according to the Vendors' records as of the last day of the Plan Year.

3. Amend the Idaho State Board of Education Section 457(b) Deferred Compensation Plan to add the following section 6.06:

6.06 Revenue Sharing Account. The Plan shall record in an unallocated Plan account any amounts paid to the Plan by Service Providers, and shall invest such unallocated account as directed by the Board or its delegate. As of the last day of each Plan Year, all assets remaining in the unallocated account shall be allocated among the Plan Accounts of Participants who have Accounts on the last day of the Plan Year. The allocation shall be made in proportion to the value of each Participant's Account invested in Plan investments that generate revenue sharing, determined according to the Service Providers' records as of the last day of the Plan Year.

4. Amend the Idaho State Board of Education Supplemental Retirement Benefit 403(b) Plan to add the following section 2.8:

2.8 Revenue Sharing Account. The Plan shall record in an unallocated Plan account any amounts paid to the Plan by Vendors, and shall invest such unallocated account as directed by the Board or its delegate. As of the last day of each Plan Year,

ATTACHMENT 1

all assets remaining in the unallocated Plan account shall be allocated among the Accounts of Participants who have Accounts on the last day of the Plan Year. The allocation shall be made in proportion to the value of each Participant's Account invested in Funding Vehicles that generate revenue sharing, determined according to the Vendors' records as of the last day of the Plan Year.