

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

TAB	DESCRIPTION	ACTION
AMENDMENT TO BOARD POLICY		
1	Section V.I. – Real and Personal Property and Services - First Reading	Motion to approve
AMENDMENT TO BOARD POLICY		
2	Section V.K. – Construction Projects - First Reading	Motion to approve
AMENDMENT TO BOARD POLICY		
3	Section V.W. – Litigation - First Reading	Motion to approve
AMENDMENT TO BOARD POLICY		
4	Section V.X. – Intercollegiate Athletics - Second Reading	Motion to approve
FY2015 APPROPRIATIONS		
5		Motion to approve
INTERCOLLEGIATE ATHLETICS		
6	FY2015 Athletics General Fund Limits	Motion to approve
INTERCOLLEGIATE ATHLETICS		
7	FY2015 Gender Equity Reports	Motion to approve
FY2016 BUDGET GUIDELINES		
8		Motion to approve
BOISE STATE UNIVERSITY		
9	Six-Year Capital Improvement Plan Amendment	Motion to approve
UNIVERSITY OF IDAHO		
10	Integrated Research Center Project – Finance Plan and Construction Phase	Motion to approve
UNIVERSITY OF IDAHO		
11	College of Education – Renovation and Improvements Project	Motion to approve

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TAB	DESCRIPTION	ACTION
12	IDAHO STATE UNIVERSITY Property Sale – East Terry Street, Pocatello	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 17, 2014

SUBJECT

Board Policy V.I. – Real and Personal Property and Services – first reading

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

The Business Affairs and Human Resources Committee has been working with staff and the institutions to align authorization thresholds in several policy sections, namely Board policy V.I. Real and Personal Property and Services and V.K. Construction Projects.

IMPACT

Proposed amendments to Board Policy V.I. increases the thresholds for the purchase of real property, personal property and services to be consistent with the thresholds outlined in Board Policy V.K. which provide authorization by the executive director between \$500,000 and \$1,000,000 for capital projects. This increases the authorization of the institutions from \$250,000 to \$500,000. The thresholds for the purchase of personal property and services are outlined in the table on page 5.

This revision also clarifies authorization thresholds when the project budget for a purchase or the renewal cost for a service agreement increases above the originally approved amount.

ATTACHMENTS

Attachment 1 – Board policy V.I. – first reading

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The revisions to Board policy as outlined in Attachment 1 will provide consistent authorization thresholds for the acquisition of real property, the purchase of personal property and services, and the disposal of personal property.

Staff recommends approval.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board Policy V.I. Real and Personal Property and Services.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

~~December 2008~~ June 2014

1. Authority

- a. The Board may acquire, hold, and dispose of real and personal property pursuant to Article IX, Section 2 and Article IX, Section 10, Idaho Constitution, pursuant to various sections of Idaho Code.
- b. Leases of office space or classroom space by any institution, school or agency except the University of Idaho are acquired by and through the Department of Administration pursuant to Section 67-5708, Idaho Code.
- c. All property that is not real property must be purchased consistent with Sections 67-5715 through 67-5737, Idaho Code, except that the University of Idaho may acquire such property directly and not through the Department of Administration. Each institution, school and agency must designate an officer with overall responsibility for all purchasing procedures.
- d. Sale, surplus disposal, trade-in, or exchange of property must be consistent with Section 67-5722, Idaho Code, except that the University of Idaho may dispose of such property directly and not through the Department of Administration.
- e. If the Executive Director finds or is informed that an emergency exists, he or she may consider and approve a purchase or disposal of equipment or services otherwise requiring prior Board approval. The institution, school or agency must report the transaction in the Business Affairs and Human Resources agenda at the next regular Board meeting together with a justification for the emergency action.

2. Acquisition of Real Property

- a. Acquisition of a real property interest, other than a leasehold interest, with a purchase price between ~~two-five~~ hundred ~~fifty~~ thousand dollars (\$~~2500~~,000) and ~~five hundred thousand~~ one million dollars (\$~~500~~1,000,000) requires prior approval by the Executive Director. A purchase exceeding ~~five hundred thousand~~ one million dollars (\$~~500~~1,000,000) requires prior Board approval.
- b. Any interest in real property acquired for the University of Idaho must be taken in the name of the Board of Regents of the University of Idaho.
- c. Any interest in real property acquired for any other institution, school or agency under the governance of the Board must be taken in the name of the State of Idaho by and through the State Board of Education.
- d. This does not preclude a foundation or other legal entity separate and apart from an institution, school or agency under Board governance from taking title to real

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

~~December 2008~~ June 2014

property in the name of the foundation or other organization for the present or future benefit of the institution, school or agency. (See Section V.E.)

- e. Acquisition of a leasehold interest in real property by or on behalf of an institution, school or agency requires prior Executive Director approval if the cost exceeds five hundred thousand dollars (\$500,000) over the term, or by the Board if the term of the lease exceeds five (5) years or if the cost exceeds one million dollars (\$1,000,000) over the term.

- f. Appraisal.

An independent appraiser must be hired to give an opinion of fair market value before an institution, school or agency acquires fee simple title to real property.

- g. Method of sale - exchange of property.

The Board will provide for the manner of selling real property under its control, giving due consideration to Section 33-601(4), applied to the Board through Section 33- 2211(5), and to Chapter 3, Title 58, Idaho Code. The Board may exchange real property under the terms, conditions, and procedures deemed appropriate by the Board.

- h. Execution.

All easements, deeds, and leases excluding easements, deeds, and leases delegated authority granted to the institutions and agencies must be executed and acknowledged by the president of the Board or another officer designated by the Board and attested to and sealed by the secretary of the Board as being consistent with Board action.

3. Acquisition of Personal Property and Services

- a. Purchases of equipment, data processing software and equipment, and all contracts for consulting or professional services either in total or through time purchase or other financing agreements, between ~~two-five~~ hundred ~~fifty~~ thousand dollars (~~\$2500~~,000) and ~~five hundred thousand one million~~ dollars (~~\$51,000~~,000) require prior approval by the executive director. The executive director must be expressly advised when the recommended bid is other than the lowest qualified bid. Purchases exceeding ~~five hundred thousand one million dollars~~ dollars (~~\$51,000~~,000) require prior Board approval. If the project budget for a purchase or the renewal cost for a service agreement increases above the approved amount, then the institution or agency may be required to seek further authorization, as follows:

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

~~December 2008~~ June 2014

Project <u>or Service Agreement</u> Originally Authorized By	Original Project Cost <u>or Total Obligation for Service Agreement</u>	Cumulative Value of Change(s)	Aggregate Revised Project Cost <u>or Total Obligation for Renewal to Service Agreement</u>	Change Authorized By
Local Agency	< \$ <u>2500</u> ,000	Any	< \$ <u>2500</u> ,000	Local Agency
Local Agency	< \$ <u>2500</u> ,000	Any	\$ <u>2500</u> ,000- \$ <u>51,000</u> ,000	Executive Director
Local Agency	< \$ <u>2500</u> ,000	Any	> \$ <u>51,000</u> ,000	SBOE
Executive Director	\$ <u>2500</u> ,000- \$ <u>51,000</u> ,000	<= \$ <u>2500</u> ,000	<= \$ <u>51,000</u> ,000	Local Agency
Executive Director	\$ <u>2500</u> ,000- \$ <u>51,000</u> ,000	Any	> \$ <u>51,000</u> ,000	SBOE
SBOE	> \$ <u>51,000</u> ,000	< \$ <u>2500</u> ,000	Any	Local Agency
SBOE	> \$ <u>51,000</u> ,000	\$ <u>2500</u> ,000- \$ <u>51,000</u> ,000	Any	Executive Director
SBOE	> \$ <u>51,000</u> ,000	> \$ <u>51,000</u> ,000	Any	SBOE

~~All modifications approved by the Executive Director shall be reported quarterly to the Board.~~

- b. Acquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education.

4. Hold of Personal Property

a. Inventory

An inventory of all items of chattel property valued at two thousand dollars (\$2,000) or limits established by Department of Administration owned or leased by any agency or institution must be maintained in cooperation with the Department of Administration as required by Section 67-5746, Idaho Code.

b. Insurance

Each agency and institution must ensure that all insurable real and personal property under its control is insured against physical loss or damage and that its employees are included under any outstanding policy of public liability insurance maintained by the state of Idaho. All insurance must be acquired through the State Department of Administration or any successor entity.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

~~December 2008~~ June 2014

c. Vehicle Use

Vehicles owned or leased by an institution or agency must be used solely for institutional or agency purposes. Employees may not, with certain exceptions, keep institutional vehicles at their personal residences. Exceptions to this policy include the chief executive officers and other employees who have received specific written approval from the chief executive officer of the institution or agency.

5. Disposal of Real Property

a. Temporary Permits

Permits to make a temporary and limited use of real property under the control of an institution or agency may be issued by the institution or agency without prior Board approval.

b. Board approval of other transfers

- i. Leases to use real property under the control of an institution, school or agency require prior Board approval - if the term of the lease exceeds five (5) years or if the lease revenue exceeds two hundred fifty thousand dollars (\$250,000).
- ii. Easements to make a permanent use of real property under the control of an institution, school or agency require prior Board approval - unless easements are to public entities for utilities.
- iii. The transfer by an institution, school or agency of any other interest in real property requires prior Board approval.

6. Disposal of Personal Property

Sale, surplus disposal, trade-in, or exchange of property with a value greater than ~~two-five~~ hundred ~~fifty~~ thousand dollars (\$~~2500~~,000) and less than ~~five hundred thousand one million~~ dollars (\$~~51,000~~,000) requires prior approval by the Executive Director. Sale, surplus disposal, trade-in, or exchange of property with a value greater than ~~five hundred thousand one million~~ dollars (\$~~51,000~~,000) requires prior Board approval. All disposals approved by the Executive Director shall be reported quarterly to the Board.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: I. Real and Personal Property and Services

~~December 2008~~June 2014

a. First Refusal

When the property has a value greater than five thousand dollars (\$5,000), the institution, school or agency must first make a good faith effort to give other institutions, school and agencies under Board governance the opportunity of first refusal to the property before it turns the property over to the Department of Administration or otherwise disposes of the property.

b. Sale of Services

The sale of any services or rights (broadcast or other) of any institution, school or agency requires prior approval of the Board when it is reasonably expected that the proceeds of such action may exceed two hundred fifty thousand dollars (\$250,000). Any sale of such services or rights must be conducted via an open bidding process or other means that maximizes the returns in revenues, assets, or benefits to the institution, school or agency.

c. Inter-agency Transfer

Transfer of property from one Board institution, school or agency to another institution, school or agency under Board governance may be made without participation by the State Board of Examiners or the Department of Administration, but such transfers of property with a value greater than two hundred fifty thousand dollars (\$250,000) require prior Board approval.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

SUBJECT

Board Policy V.K. – Construction Projects – first reading

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

The Business Affairs and Human Resources Committee has been working with staff and the institutions to determine the authorization thresholds required when a capital project increases above the original Board-approved amount.

IMPACT

Proposed amendments to Board policy V.K. would require an institution to seek further approval when the budget for a major capital project increases above the total authorized amount by more than 5% (up to a maximum of \$499,999).

Regardless of the authorization level required (i.e. institution, executive director, or Board), the institution must provide the Board with the amount and reason(s) for the cost overruns and the source of funds. The authorization levels are shown in the table on page 3.

ATTACHMENTS

Attachment 1 – Board policy V.K. – first reading

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The revisions to Board policy as outlined in Attachment 1 will clarify the approval level necessary when the budget for a capital project increases above the total amount originally authorized.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board policy V.K. Real and Personal Property and Services.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES
SECTION: V. FINANCIAL AFFAIRS
Subsection: K. Construction Projects

ATTACHMENT 1

December 2011 June 2014

1. Authorization Limits

Without regard to the source of funding, before any institution or agency under the governance of the Board begins to make capital improvements, either in the form of alteration and repair to existing facilities or construction of new facilities, it must be authorized based on the limits listed below. Projects requiring executive director or Board approval must include a separate budget line for architects, engineers, or construction managers and engineering services for the project cost.

Project Originally Authorized By	Original Project Cost	Cumulative Value of Change(s)	Aggregate Revised Project Cost	Change Authorized By
Local Agency	< \$500,000	Any	< \$500,000	Local Agency
Local Agency	< \$500,000	Any	\$500,000-\$1,000,000	Executive Director
Local Agency	<\$500,000	Any	> \$1,000,000	SBOE
Executive Director	\$500,000-\$1,000,000	<= \$500,000	<= \$1,000,000	Local Agency
Executive Director	\$500,000-\$1,000,000	Any	>\$1,000,000	SBOE
SBOE	> \$1,000,000	<\$500,000	Any	Local Agency
SBOE	> \$1,000,000	\$500,000-\$1,000,000	Any	Executive Director
SBOE	> \$1,000,000	>\$1,000,000	Any	SBOE

2. Major Projects - Capital Construction Plans

- a. Institutions and agencies under the governance of the Board wishing to undertake capital construction projects shall submit to the Board for its approval a six-year capital construction plan (the "Plan"). The Plan shall span six fiscal years going forward starting at the fiscal year next. The Plan shall include only capital construction projects for which the total cost is estimated to exceed one million dollars (\$1,000,000) without regard to the source of funding (hereinafter, "major projects"). A Plan shall constitute notice to the Board that an institution or agency may bring a request at a later date for Board approval of one or more of the projects included in its approved Plan. Board approval of a Plan shall not constitute approval of a project included in the Plan.
- b. Before any institution or agency under the governance of the Board solicits, accepts or commits a gift or grant in support of a specific major project, such project must first be included on the institution's or agency's Board-approved six-year Plan.
- c. If a major project is not included in a Plan and an institution or agency under the governance of the Board desires to obtain approval of the major project, before

December 2011 June 2014

seeking approval, it shall first bring an amended plan to the Board for approval at a regularly scheduled meeting of the Board. If a potential donor offers an unsolicited gift to an institution or its affiliated foundation in support of a major project which is not in an institution's or agency's Plan, prior to acceptance of the gift, the institution or agency shall notify the Board's executive director in writing of the offer, which notice shall include an explanation and justification for the exigency; a detailed statement of purpose and fiscal impact; and a summary of the terms and conditions of the gift. This notice shall also certify to the executive director that the donor understands and acknowledges that construction of the major project is subject to the review and approval of the Board.

3. Major Projects Approval Process - Design-Bid-Build Projects

a. Planning and Design

Board approval is required before any institution or agency begins planning and design on a major project carried out under the traditional "design-bid-build" method. For design-bid-build projects, planning and design encompasses the preparation of architectural and engineering documents and associated budget and schedule information through the completion of the construction documents for bidding. This approval may not be requested concurrently with any other step in the major project approval process. As part of the Board's approval process for planning and design, the Board may request the institution or agency to submit a preliminary project budget and financing plan (including pro forma financials, debt/operating expenses ratios, pledges, strategic facilities fees, and other material financial information).

b. Major Project Approval Process – Project Budget and Financing Plan

Board approval of a project budget and financing plan (including pro forma financials, debt/operating expenses ratios, pledges, strategic facilities fees, and other material financial information) is required for a major project. This approval may be requested only after completion of the design and planning process and may be requested concurrently with approval for construction.

c. Major Project Approval Process –Construction

Board approval is required to proceed with the construction of a major project. In order to obtain Board approval for construction of a major project, the Board must approve the project budget and financing plan. This approval may be requested concurrently with approval of the project's budget and financing plan.

d. Major Project Approval Process – Final Approval – Financing and Incurrence of Debt

December 2011/June 2014

Board approval for financing capital projects via the issuance of bonds, or incurrence of any other indebtedness, is required pursuant to Board policy V.F. for a project that has previously received approval for construction. (All other projects financed entirely without indebtedness do not need separate approval for financing.) The Board will not consider concurrent requests for approval for construction and debt financing for the same project. Therefore, institutions seeking approval for project debt financing must bring a request for said approval to a Board meeting subsequent to the meeting at which project construction is approved.

4. Design-Build Projects

Although design and build projects are performed by one team, design-build contracts can also allow a series of options to proceed (or not) at the design phase and at the construction phase. The approval process for major projects using a design-build contract shall be the same as the approval process required for a design-bid-build contract. Board approval shall first be required to undertake the design and planning phase, including selection of the design-build team. For purposes of such approval, the Board may request a preliminary project budget and financing plan. This approval may not be obtained concurrently with subsequent required approvals. Once the design-build team completes the design and construction cost estimates, the institution or agency must then obtain Board approval of the project budget and financing plan and of construction of the project. If debt financing is needed, the institution or agency must submit a request for approval at a subsequent meeting of the Board in the manner set forth in paragraph 3.d., above.

5. Fiscal Revisions to Previously Approved Projects

If a project budget increases above the total Board-authorized~~approved~~ amount by the lesser of 5% or \$500,000, then the institution or agency shall be required to seek further authorization based on the limits established in paragraph 1, above. Regardless of the authorization level required, the institution shall provide the Board with the amount and reason(s) for the cost overruns and the source of funds.

6. Project Acceptance

Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the state of Idaho. Projects under the supervision of an institution or agency are accepted by the institution or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

7. Statute and Code Compliance

- a. All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance with applicable state and local building and life-safety codes and applicable local land-use regulations as provided in Chapter 41, Title 39, and Section 67-6528, Idaho Code.
- b. In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

SUBJECT

Board Policy V.W. Litigation – First Reading

REFERENCE

December 2009	Board approved 1 st Reading of amendments delegating authority to the CEO to initiate litigation up to specific limits.
February 2010	Board approved 2 nd Reading of proposed amendments to policy.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND / DISCUSSION

Proposed changes will clarify for the institutions that the limits and reporting requirements contained within Board Policy V.W. pertains to all settlements, not just settlements after initiation of litigation.

IMPACT

Proposed changes will allow for more consistent reporting and oversight of legal settlements entered into by the institutions.

ATTACHMENTS

Attachment 1 - Governing Policy Section V.W – 1st Reading Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Board staff recommends approval of the first reading of Board Policy V.W. as submitted.

BOARD ACTION

I move to approve the first reading of Idaho State Board of Education Governing Policies & Procedures V.W. – Litigation as submitted.

Moved _____ Seconded _____ Carried Yes _____ No _____

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Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: W. Litigation

February 2010

1. General

When a lawsuit, legal document, or other official notice is instituted against an institution and/or the Board, an institution's president or its general counsel, or the executive director of the Board, is authorized to accept service of process of such matter on behalf of the institution and/or Board. This authority to accept service pertains only to attempted service upon the institution and/or Board, and not to any attempt to serve the Idaho secretary of state or the Idaho attorney general. An institution president or general counsel who accepts service of any matter on behalf of such institution and/or the Board pursuant to this authority must promptly forward a copy of any such matter to the Board office, and in appropriate circumstances, should also forward a copy of such matter to the State of Idaho Department of Administration, Division of Internal Management Systems, Risk Management Program.

2. Initiation of Litigation

An institution or agency under the governance of the Board may initiate a legal action with respect to any matter in which the amount in controversy does not exceed one hundred thousand dollars (\$100,000). With the prior approval of the executive director, an institution, agency, or school under the governance of the Board may initiate a legal action with respect to any matter in which the amount in controversy does not exceed two hundred thousand dollars (\$200,000). Any other proposed legal action may not be instituted without the prior approval and authorization of the Board.

- a. Notwithstanding the authority to initiate litigation provided above, any legal action involving the exercise of the right of eminent domain must have the prior approval of the Board.
- b. Pursuant to Idaho Code §33-3804, an institution is permitted to initiate legal action in its own name.

3. Settlement ~~of Litigation~~

The chief executive officer has authority to settle a legal matter involving the payment or receipt of up to one hundred thousand dollars (\$100,000) of institution or agency funds. The executive director may authorize the settlement of a legal matter involving the payment or receipt of up to two hundred thousand dollars (\$200,000) of institution, agency, or school funds. Any settlement of a legal matter that is in

BUSINESS AFFAIRS AND HUMAN RESOURCES
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excess of two hundred thousand dollars (\$200,000) in institution or agency funds must be approved by the Board prior to any binding settlement commitment.

34. Litigation Reporting by Institutions

Legal counsel for the institutions shall provide monthly attorney–client privileged litigation reports ~~to the members of the Board, with a copy~~ to the Board office (to the attention of the Board’s legal counsel) for distribution to members of the Board. Such reports should include a description of all claims and legal actions filed against the institution since the date of the last report (and identify legal counsel for the parties involved, for conflict analysis purposes); a summary of the current status of all claims and pending litigation; risk analysis pertaining to all such claims and pending litigation; and the settlement of any ~~legal claims or actions~~ matters since the date of the last report, including settlements of matters handled by the State of Idaho Department of Administration, Division of Internal Management Systems, Risk Management Program. With respect to the reporting of a legal settlement, such report shall describe the amount of institution funds that were used, and the amount and source of any other funds that were provided in connection with such settlement, including funds from the Office of Insurance Management or from any other parties. Legal counsel for the institutions should also include in the report any significant incident occurring since the last report that is reasonably expected to give rise to a claim, as well as probable claims or legal actions the institution is aware of which have been threatened but not yet instituted.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

Board Policy V.X. – Intercollegiate Athletics – second reading

REFERENCE

February, 2014

Board approved first reading of Policy V.X.

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

At the February 2014 Board meeting, the Board approved the first reading of changes to Board policy V.X. which allow an institution to exceed the institutional funds limit in a year when it experiences athletic conference entry and/or exit fees.

IMPACT

Removing entry or exit fees from the institutional limits will provide a better pictures of the ongoing athletics operations.

ATTACHMENTS

Attachment 1 – Board Policy V.X. – second reading

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The revisions to Board policy as outlined in Attachment 1 would require an institution to include a footnote to their annual Intercollegiate Athletics Reports of Revenues and Expenditures for any year in which an institution experienced entry and/or exit fees. The footnote would include the expense category and revenue sources (e.g. contributions, other revenues, and/or institutional funds). The footnote would also indicate any amount of institutional funds above the Board-approved limit for institutional funds used as a source for the entry and/or exit fees.

There were no changes between first and second reading. Staff recommends approval.

BOARD ACTION

I move to approve the second reading of proposed amendments to Board policy V.X. Intercollegiate Athletics, with all revisions as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS
Subsection: X. Intercollegiate Athletics

April 2014

1. Philosophy

The Board reaffirms the role of intercollegiate athletics as a legitimate and significant component of institutional activity. The responsibility for and control of institutional activities in this area rest with the Board.

In the area of intercollegiate athletics, the Board seeks to establish programs which:

- a. provide opportunities for student athletes to attend college and participate in athletic programs while pursuing and completing academic degrees;
- b. reflect accurately the priorities and academic character of its institutions;
- c. fuel school spirit and community involvement;
- d. serve the needs of the institutions as they seek, through their athletic programs, to establish fruitful and sustaining relationships with their constituencies throughout the state and nation; and
- e. actively and strategically progress toward compliance with Title IX of the Higher Education Amendments Act of 1972.

Given these goals, the Board has a continuing concern and interest in the academic success of student athletes, the scope and level of competition, and the cost of athletic programs administered by its institutions. Consequently, the Board will, from time to time in the context of this policy statement, promulgate, as necessary, policies governing the conduct of athletic programs at its institutions.

2. Policies

The day-to-day conduct of athletic programs is vested in the institutions and in their chief executive officers. Decision making at the institutional level must be consistent with the policies established by the Board and by those national organizations and conferences with which the institutions are associated. In the event that conflicts arise among the policies of these governance groups, it is the responsibility of the institution's chief executive officer to notify the Board in a timely manner. Likewise, any knowledge of NCAA or conference rule infractions involving an institution should be communicated by the athletic department to the chief executive officer of the institution.

The Board recognizes that the financing of intercollegiate athletics, while controlled at the institutional level, is ultimately the responsibility of the Board itself. In assuming that responsibility, the sources of funds for intercollegiate athletics shall be defined in the following categories:

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS
Subsection: X. Intercollegiate Athletics

April 2014

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- a. State General Funds – means state General Funds (as defined in section 67-1205, Idaho Code) appropriated to the institutions.
 - b. Student Athletic Fee Revenue – means revenue generated from the full-time and part-time student activity fee that is dedicated to the intercollegiate athletics program pursuant to policy V.R.3.b.ii.
 - c. Program Funds – means revenue generated directly related to the athletic programs, including but not limited to ticket sales/event revenue, tournament/bowl/conference receipts, media/broadcast receipts, concessions/parking/advertisement, game guarantees and foundation/booster donations.
 - d. Institutional Funds – means any funds generated by the institution outside the funds listed in a., b. and c. above. Institutional Funds do not include tuition and fee revenue collected under policy V.R.3. Examples of Institutional Funds include, but are not limited to, auxiliaries, investment income, interest income, vending, indirect cost recovery funds on federal grants and contracts, and administrative overhead charged to revenue-generating accounts across campus.
3. Funds allocated and used by athletics from the above sources are limited as follows:
- a. State General Funds –
 - i. The limit for State General Funds shall be allocated in two categories: General Funds used for athletics and General Funds used to comply with Title IX.
 - ii. The Board set the following FY 2013 General Fund limits:
 - 1) General Funds for Athletics:

a) Universities	\$2,424,400
b) Lewis-Clark State College	\$ 901,300
 - 2) General Funds for Gender Equity:

a) Boise State University	\$1,069,372
b) Idaho State University	\$ 707,700
c) University of Idaho	\$ 926,660
d) Lewis-Clark State College	\$ 0
 - iii. The methodology for computing the limits for both categories of State General Funds shall be to calculate the rate of change for the next fiscal year ongoing State General Funds compared to the ongoing State General Funds in the current fiscal year, and then apply the rate of change to both limits approved

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS
Subsection: X. Intercollegiate Athletics

April 2014

by the Board in the previous year. Such limits shall be approved annually by the Board.

b. Institutional funds –

i. The Board set the following FY 2013 limits:

1) Boise State University	\$ 386,100
2) Idaho State University	\$ 540,400
3) University of Idaho	\$ 772,100
4) Lewis-Clark State College	\$ 154,300

ii. The methodology for computing the limits for Institutional Funds shall be to calculate the rate of change for the next fiscal year ongoing Appropriated Funds compared to the ongoing Appropriated Funds in the current fiscal year, and then apply the rate of change to the limit approved by the Board in the previous year. Such limits shall be approved annually by the Board. For purposes of this paragraph, “Appropriated Funds” means all funds appropriated by the Legislature to the institutions, including but not limited to, State General Funds, endowment funds, and appropriated tuition and fees.

c. Student Activity Fee Revenue – shall not exceed revenue generated from student activity fee dedicated for the athletic program. Institutions may increase the student fee for the athletic program at a rate not more than the rate of change of the total student activity fees.

d. Program funds – the institutions can use the program funds generated, without restriction.

The president of each institution is accountable for balancing the budget of the athletic department on an annual basis. In accounting for the athletic programs, a fund balance for the total athletic program must be maintained. In the event that revenue within a fiscal year exceeds expenses, the surplus would increase the fund balance and would be available for future fiscal years. In the event that expenses within a fiscal year exceeds revenue, the deficit would reduce the fund balance. If the fund balance becomes negative, the institutions shall submit a plan for Board approval that eliminates the deficit within two fiscal years. Reduction in program expenditures and/or increase revenue (program funds only) can be used in an institutional plan to eliminate a negative fund balance. If substantial changes in the budget occur during the year resulting in a deficit for that year, the president shall advise the Board of the situation at the earliest opportunity.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS
Subsection: X. Intercollegiate Athletics

April 2014

Donations to athletics at an institution must be made and reported according to policy V.E. The amount of booster money donated to and used by the athletic department shall be budgeted in the athletic department budget.

It is the intent of the Board that increases in program revenues should be maximized before increases to the athletic limits under subsection 3 will be considered.

4. Gender Equity

- a. Gender equity means compliance with Title IX of the Higher Education Amendments Act of 1972 which prohibits discrimination on the basis of gender in any education program or activity receiving federal financial assistance, including athletics. Congress delegated authority to promulgate regulations (34 C.F.R. §106.41) for determining whether an athletics program complies with Title IX. The U.S. Department of Education, through its Office of Civil Rights (OCR) is responsible for enforcing Title IX.
- b. Title IX measures gender equity in athletics in three distinct areas: participation, scholarships, and equivalence in other athletics benefits and opportunities.
- c. The chief executive officer of each institution shall prepare a gender equity report for review and formal approval by the Board in a format and time to be determined by the Executive Director. The gender equity report will show the status of an institution's compliance with Title IX. The gender equity report will show the changes to the athletics programs necessary to comply with Title IX over time.

5. Financial Reporting.

The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The athletic reports shall contain revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The fund balances as of June 30 shall be included in the report. The general format of the report will be consistent with the format established by the Executive Director. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The institutions will submit the following reports to the Board:

- a. The institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format and time to be determined by the Executive Director.

Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS
Subsection: X. Intercollegiate Athletics

April 2014

- i. Actual revenues and expenditures for the fiscal year most recently completed.
 - ii. Estimated revenues and expenditures for the current fiscal year.
 - iii. Proposed operating budget for the next budget year beginning July 1.
- b. The following fiscal year's financial information will be reported by each institution in a format and time to be determined by the Executive Director:
 - i. Actual revenues and expenditures for the prior four (4) fiscal years
 - ii. Estimated revenues and expenditures for the current fiscal year.
- c. In a year in which an institution experiences conference entry and/or exit fees, any amount the institution uses from institutional funds will not be subject to the limit in paragraph 3.b. The institution shall include a footnote: (1) explaining the amount and expense category for the entry/exit fees and the amount of each revenue source (e.g. contributions, institutional funds, etc.); (2) indicating any amount of institutional funds above the Board approved limit for institutional funds used as a source for the entry and/or exit fees.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

SUBJECT

FY 2015 Appropriation Information – Institutions and Agencies of the State Board of Education

APPLICABLE STATUTE, RULE, OR POLICY

Applicable Legislative Appropriation Bills

BACKGROUND/ DISCUSSION

The 2014 Legislature has passed appropriation bills for the agencies and institutions of the Board.

The table on Tab 5a page 3 lists the FY 2015 appropriation bills related to the State Board of Education.

IMPACT

Appropriation bills provide funding and spending authority for the agencies and institutions of the State Board of Education allowing them to offer programs and services to Idaho's citizens.

ATTACHMENTS

Attachment 1 – FY 2015 Appropriations List

Page 3

STAFF COMMENTS

Staff comments and recommendations are included for each specific institution and agency allocation.

BOARD ACTION

Motions for the allocations for College and Universities, Community Colleges, and Professional-Technical Education are found on each specific institution and agency allocation.

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014**

ATTACHMENT 1

**State Board of Education
FY 2015 Appropriations to Institutions and Agencies**

	General Fund	% Δ From FY 2014	Total Fund
<u>Allocations</u>			
College and Universities	\$251,223,200	6.2%	\$498,576,700
Community Colleges	32,978,500	9.1%	33,578,500
Professional-Technical Education	53,079,000	8.4%	62,954,000
<u>Agencies</u>			
Agricultural Research & Extension Service	26,453,700	8.3%	26,479,400
Health Education Programs	11,355,700	7.5%	11,655,600
Special Programs	9,346,400	4.2%	11,069,500
Office of the State Board of Education	2,289,200	(5.1%)	5,672,200
Public Broadcasting System	2,200,700	20.5%	8,068,000
Vocational Rehabilitation, Division	7,493,900	2.6%	23,966,200
State Department of Education (Superintendent of Public Instruction)	8,523,200	2.8%	34,303,700
<u>Statewide Issues</u>			
Permanent Building Fund: Major Capital Projects			
University of Idaho: College of Education Building			\$2,000,000
Higher Education Stabilization Fund			
College and Universities			\$1,379,000
Community Colleges and Eastern Idaho Technical College			\$ 621,000

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

SUBJECT

FY 2015 College and Universities Appropriation Allocation

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.S.
Senate Bill 1417 (2014)

BACKGROUND/DISCUSSION

The Legislature appropriates to the State Board of Education and the Board of Regents monies for the general education programs at Boise State University (BSU), Idaho State University (ISU), University of Idaho (UI), Lewis-Clark State College (LCSC), and system-wide needs. The Board allocates the appropriation to the four institutions based on legislative intent and Board Policy, Section V.S.

According to Board policy, the allocation is made in the following order: 1) each institution shall be allocated its prior year budget base; 2) funds for the Enrollment Workload Adjustment (EWA); 3) funds for new occupancy costs; 4) funding of special allocations; and 5) a general allocation based on proportionate share to total budget request.

IMPACT

This action allocates the FY 2015 College and Universities appropriation to the institutions for general education programs, and system-wide needs. These funds allocated along with revenue generated from potential fee increases will establish the operating budgets for the general education program for FY 2015. The allocation for FY 2015 is shown on Tab 5b page 3. The FY 2015 general fund appropriation includes the following items:

• Ongoing base funding for benefit cost increases	\$3,535,000
• Reduction for statewide cost allocation	(79,300)
• 1% one-time Change in Employee Compensation (CEC)	1,861,600
• 1% ongoing Change in Employee Compensation (CEC)	1,861,600
• Reduction for Enrollment Workload Adjustment (EWA)	(1,304,200)
• Board's 60% Goal	2,759,700
• Occupancy costs	421,300
• University of Idaho 2 nd year College of Law in Boise	400,000
• Higher Education Research Council EPSCoR match	200,000
• Center for Advanced Energy Studies	1,000,000
• Transfer to OSBE for web developer position	(79,300)
• One-time replacement capital	4,085,800

The \$2,759,700 for the Board's 60% Goal is approximately 20% of the original total request of \$14,006,200. The Business and Human Resources Committee (BAHR) recommends allocating the appropriated funds in the same proportion as the original request as the most equitable approach.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

The \$4,085,800 in one-time funds is the exact amount requested by the college and universities in General Funds for replacement capital. After much deliberation, BAHR determined that these one-time funds should be allocated based on the original Board-approved request which includes \$1,689,600 to BSU and \$2,396,200 to UI.

The Legislature took separate action to offset the \$1,304,200 reduction for negative EWA, by transferring \$1,379,000 to the Higher Education Stabilization Fund.

ATTACHMENTS

Attachment 1 - C&U FY 2015 Appropriation Allocation	Page 3
Attachment 2 - Statement of Purpose/Fiscal Note	Page 5
Attachment 3 - Appropriation Bill (S1417)	Page 7

STAFF COMMENTS

Staff recommends approval of the FY 2015 College and Universities allocation as presented in Attachment 3.

BOARD ACTION

I move to approve the allocation of the FY 2015 appropriation for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as presented on Tab 5b, Page 3.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

**FY 2015 College and University Allocation
Based on JFAC Action**

March 17, 2014

Appropriation:	FY14 Appr	FY15 Appr	% Chge	Sys Needs:	FY14 Appr	FY15 Appr
General Educ Approp: Bill No. SB1417				HERC	1,435,500	1,635,500
General Account	236,543,600	251,223,200	6.21%	Innovation	942,600	863,300
Endowment Funds	10,729,200	12,528,000	16.77%	Sys Nds	140,000	140,000
				IGEM	2,000,000	2,000,000
Total Gen Acct & Endow Funds	247,272,800	263,751,200	6.66%	Total	4,518,100	4,638,800
Student Fees/Misc Revenue	226,704,200	234,825,500	3.58%			
One-time Student Fees:						
Total Gen Educ Approp	473,977,000	498,576,700	5.19%			
Allocation:	BSU	ISU	UI	LCSC	SYS-WIDE	TOTAL
FY14 General Account	77,310,300	64,540,600	76,713,900	13,460,700	4,518,100	236,543,600
FY14 Endowment Funds	0	2,227,800	7,166,400	1,335,000	0	10,729,200
FY15 Budget Base	77,310,300	66,768,400	83,880,300	14,795,700	4,518,100	247,272,800
Additional Funding for FY15:						
MCO Adjustments:						
Personnel Benefits	1,058,900	1,146,500	1,211,500	244,400		3,661,300
Inflation including Library B&P	0	0	119,000	66,800		185,800
CEC: 1.0% one-time	589,200	582,500	654,800	102,000		1,928,500
CEC: 1.0% ongoing	589,200	582,500	654,800	102,000		1,928,500
Payline Adjustment	15,700	300	0	1,400		17,400
Endowment Fund Adjustments	0	292,700	890,000	170,200		1,352,900
Nonstandard Adjustments:						
Risk Mgmt/Controller/Treasurer	(31,200)	4,700	(40,800)	(12,000)		(79,300)
External Nonstandard Adjustments:						
Enrollment Workload Adjustment (EWA)	(219,200)	(562,500)	(591,200)	68,700		(1,304,200)
Line Items						
60% Goal Allocation	1,379,000	610,800	573,200	196,700	0	2,759,700
Occupancy Costs	334,800	86,500	0	0	0	421,300
UI College of Law - Boise 2nd Yr	0	0	400,000	0	0	400,000
HERC EPSCoR	0	0	0	0	200,000	200,000
Center for Advanced Energy Studies	333,300	333,300	333,400	0	0	1,000,000
OSBE Web Developer	0	0	0	0	(79,300)	(79,300)
General Fund One-Time Allocation	1,689,600	0	2,396,200	0	0	4,085,800
Total Addl Funding	5,739,300	3,077,300	6,600,900	940,200	120,700	16,478,400
FY15 Gen Acct & Endow Allocation	83,049,600	69,845,700	90,481,200	15,735,900	4,638,800	263,751,200
% Change From FY14 Adjusted Budget Base	7.42%	4.61%	7.87%	6.35%	2.67%	6.66%
FY15 Estimated Student Fee Revenue	85,255,200	59,563,500	74,917,500	15,089,300	0	234,825,500
FY15 Operating Budget	168,304,800	129,409,200	165,398,700	30,825,200	4,638,800	498,576,700
General Fund Increase	7,104,700	2,705,900	5,410,500	703,200	-1,244,700	14,679,600
% Increase	9.2%	4.2%	7.1%	5.2%	-27.5%	6.2%
General Fund Increase - ongoing	4,825,900	2,143,200	2,406,600	601,200	-1,244,700	8,732,200
% Increase	6.2%	3.3%	3.1%	4.5%	-27.5%	3.7%
General Fund Increase - ongoing less benefit increases	3,767,000	1,018,900	1,282,300	356,800	-1,244,700	5,070,900
% Increase	4.9%	1.6%	1.7%	2.7%	-27.5%	2.1%

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STATEMENT OF PURPOSE

RS23133

This is the FY 2015 appropriation to the State Board of Education for College and Universities in the amount of \$498,576,700. This appropriation provides for increased cost of benefits, inflationary adjustments, replacement items, and a reduction for statewide cost allocation. The budget also provides for the equivalent of a 2% change in employee compensation (1% ongoing and 1% one-time). Additionally, it provides a non-discretionary statutory adjustment for enrollment workload decreases and an adjustment for endowment earnings. Finally, this budget includes seven line items. Line item 2 provides \$2,759,700 ongoing from the General Fund for the Complete College Idaho 60% goal within the Systemwide Program to be allocated to the institutions by the State Board of Education. Line item 3 provides 2.39 FTP and \$421,300 ongoing from the General Fund for occupancy costs at the following three facilities: BSU- The University Drive Annex building, 1.74 FTP and \$272,700, BSU- The BoDo Center, 0.34 FTP and \$62,100, and ISU- Meridian building anatomy and physiology lab, 0.31 FTP and \$86,500. Line item 4 provides 3.0 FTP and \$400,000 ongoing from the General Fund for personnel and operating costs to expand the second year of the University of Idaho's College of Law to Boise. Line Item 5 provides \$200,000 ongoing from the General Fund for an increase in matching fund requirements for the recent five-year, \$20 million, grant awarded to the University of Idaho from the National Science Foundation, Experimental Program to Stimulate Competitive Research (EPSCoR). Research partners include Boise State University and Idaho State University. Line item 9 provides \$1,000,000 ongoing from the General Fund to be divided equally among Boise State University, Idaho State University, and the University of Idaho for continued participation at the Center for Advanced Energy Studies (CAES) in Idaho Falls. Line item 10 is a decrease of \$79,300 ongoing from the General Fund from the Systemwide Program. There is a corresponding increase in the Office of the State Board of Education's budget in this same amount to be used to hire a web developer and to maintain the online credit transfer portal. Line item 11 provides \$4,085,800 one-time from the General Fund to the Systemwide Program for the State Board of Education to allocate among the institutions. Overall, this budget is a 7.0% increase above the FY 2014 appropriation.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2014 Original Appropriation	4,031.63	236,543,600	229,358,400	0	465,902,000
Reappropriation	0.00	0	98,221,500	0	98,221,500
FY 2014 Total Appropriation	4,031.63	236,543,600	327,579,900	0	564,123,500
Noncognizable Funds and Transfers	90.80	0	17,564,700	0	17,564,700
FY 2014 Estimated Expenditures	4,122.43	236,543,600	345,144,600	0	581,688,200
Removal of One-Time Expenditures	0.00	0	(107,711,200)	0	(107,711,200)
Base Adjustments	0.00	0	0	0	0
FY 2015 Base	4,122.43	236,543,600	237,433,400	0	473,977,000
Benefit Costs	0.00	3,535,000	2,537,800	0	6,072,800
Inflationary Adjustments	0.00	0	1,561,700	0	1,561,700
Replacement Items	0.00	0	1,782,700	0	1,782,700

Statement of Purpose / Fiscal Note

S1417

ATTACHMENT 2

Statewide Cost Allocation	0.00	(79,300)	0	0	(79,300)
Change in Employee Compensation	0.00	3,740,600	2,685,000	0	6,425,600
Nondiscretionary Adjustments	0.00	(1,304,200)	0	0	(1,304,200)
Endowment Adjustments	0.00	0	1,352,900	0	1,352,900
FY 2015 Program Maintenance	4,122.43	242,435,700	247,353,500	0	489,789,200
1. Fund Shift for Benefits/CEC	0.00	0	0	0	0
2. 60% Goal (BSU, ISU, UI, LCSC)	0.00	2,759,700	0	0	2,759,700
3. Occupancy Costs (BSU, ISU)	2.39	421,300	0	0	421,300
4. UI College of Law - Boise 2nd Year	3.00	400,000	0	0	400,000
5. Higher Education Research Council	0.00	200,000	0	0	200,000
6. Deferred Maintenance	0.00	0	0	0	0
7. Mill Fund/RADAR Center (BSU)	0.00	0	0	0	0
9. Center for Advanced Energy Studies	0.00	1,000,000	0	0	1,000,000
10. Move to OSBE	0.00	(79,300)	0	0	(79,300)
11. Board Allocation	0.00	4,085,800	0	0	4,085,800
FY 2015 Total	4,127.82	251,223,200	247,353,500	0	498,576,700
Chg from FY 2014 Orig Approp	96.19	14,679,600	17,995,100	0	32,674,700
% Chg from FY 2014 Orig Approp.	2.4%	6.2%	7.8%	0.0%	7.0%

Contact:

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 (208) 334-4746

BY FINANCE COMMITTEE

APPROPRIATING MONEYS TO THE STATE BOARD OF EDUCATION AND THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO FOR COLLEGE AND UNIVERSITIES AND THE OFFICE OF THE STATE BOARD OF EDUCATION FOR FISCAL YEAR 2015; PROVIDING GUIDANCE FOR EMPLOYEE COMPENSATION; PROVIDING NON-GENERAL FUND REAPPROPRIATION; PROVIDING LEGISLATIVE INTENT FOR SYSTEMWIDE NEEDS; PROVIDING LEGISLATIVE INTENT FOR COMPLETE COLLEGE IDAHO GOAL OF SIXTY PERCENT; AND EXEMPTING APPROPRIATION OBJECT AND PROGRAM TRANSFER LIMITATIONS.

SECTION 1. There is hereby appropriated to the State Board of Education and the Board of Regents of the University of Idaho for college and universities, and the Office of the State Board of Education, the following amounts to be expended according to the designated programs and expense classes, from the listed funds for the period July 1, 2014, through June 30, 2015:

Fund	\$65,831,400	\$804,300	\$66,635,700
Charitable Institutions Endowment Income			
Fund	1,027,200		1,027,200
Normal School Endowment Income			
Fund	1,572,000		1,572,000

	FOR	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	TRUSTEE AND	
	COSTS	EXPENDITURES	OUTLAY	BENEFIT	TOTAL
				PAYMENTS	
Unrestricted					
Fund	<u>32,086,500</u>	<u>22,443,200</u>	<u>\$5,033,800</u>		<u>59,563,500</u>
TOTAL	\$100,517,100	\$23,247,500	\$5,033,800		\$128,798,400
III. UNIVERSITY OF IDAHO:					
FROM:					
General					
Fund	\$69,903,800	\$5,717,100	\$3,534,100		\$79,155,000
Agricultural College Endowment Income					
Fund	824,400	56,200	283,400		1,164,000
Scientific School Endowment Income					
Fund	2,858,600		1,007,800		3,866,400
University Endowment Income					
Fund	2,316,800	214,200	795,400		3,326,400
Unrestricted					
Fund	<u>39,987,300</u>	<u>34,190,400</u>	<u>739,800</u>		<u>74,917,500</u>
TOTAL	\$115,890,900	\$40,177,900	\$6,360,500		\$162,429,300
IV. LEWIS-CLARK STATE COLLEGE:					
FROM:					
General					
Fund	\$12,183,600	\$1,349,600	\$434,000		\$13,967,200
Normal School Endowment Income					
Fund		1,572,000			1,572,000
Unrestricted					
Fund	<u>10,635,300</u>	<u>3,132,300</u>	<u>1,321,700</u>		<u>15,089,300</u>
TOTAL	\$22,818,900	\$6,053,900	\$1,755,700		\$30,628,500
V. SYSTEMWIDE:					
FROM:					
General					
Fund	\$2,681,600	\$1,285,000	\$4,084,600	\$3,433,100	\$11,484,300
GRAND TOTAL	\$375,161,500	\$98,071,900	\$21,910,200	\$3,433,100	\$498,576,700

1 SECTION 2. EMPLOYEE COMPENSATION. It is the intent of the Legislature,
2 working cooperatively with the Governor's Office, the Division of Human Re-
3 sources, and the Division of Financial Management, to progress toward the
4 goal of funding a competitive salary and benefit package that will attract
5 qualified applicants, retain employees committed to public service excel-
6 lence, motivate employees to maintain high standards of productivity, and
7 reward employees for outstanding performance by:

- 8 1) Adjusting the compensation schedule upwards by 1% to move the salary
9 structure toward market; and
- 10 2) Continuing the job classifications that are currently on payline
11 exception to address specific recruitment or retention issues; and
- 12 3) Funding an ongoing 1% salary increase for state employees, and funding
13 the equivalent of a one-time 1% bonus for state employees, based upon
14 employee merit, with flexibility in distribution as determined by
15 the agency directors.

16 The Legislature also finds that investing in state employee compensa-
17 tion should remain a high priority even in tough economic times, and there-
18 fore strongly encourages agency directors, institution executives and the
19 Division of Financial Management to approve the use of salary savings to pro-
20 vide either one-time or ongoing merit increases for deserving employees and
21 also to target employees who are below policy compensation. Such salary sav-
22 ings could result from turnover and attrition, or be the result of innova-
23 tion and reorganization efforts that create savings. Such savings should be
24 reinvested in employees. Agencies are cautioned to use one-time funding for
25 one-time payments and ongoing funding for permanent pay increases.

26 SECTION 3. NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby
27 reappropriated to the State Board of Education and the Board of Regents of
28 the University of Idaho for college and universities any unexpended and un-
29 encumbered balances of moneys categorized as dedicated funds appropriated
30 for fiscal year 2014, to be used for nonrecurring expenditures, for the pe-
31 riod July 1, 2014, through June 30, 2015.

32 SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that
33 of the amount appropriated from the General Fund in Section 1, Subsection V.
34 of this act, the following amounts may be used as follows: (1) An amount not
35 to exceed \$140,000 may be used by the Office of the State Board of Education
36 for systemwide needs; (2) An amount of approximately \$1,435,500 may be used
37 for the mission and goals of the Higher Education Research Council as out-
38 lined in State Board of Education policy III.W., which includes awards for
39 infrastructure, matching grants, and competitive grants through the Idaho
40 Incubation Fund program; and (3) An amount not to exceed \$863,300 may be
41 used by the State Board of Education for instructional projects designed to
42 foster innovative learning approaches using technology, to promote account-
43 ability and information transfer throughout the higher education system
44 including longitudinal student-level data and program/course transferabil-
45 ity and to promote the Idaho Electronic Campus.

1 SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that
2 of the amount appropriated from the General Fund in Section 1, Subsection V.
3 of this act, \$2,759,700 of ongoing funds provided for Complete College Idaho
4 60% goal and \$4,085,800 of one-time funds provided shall be allocated by the
5 State Board of Education for either personnel, operating or one-time capital
6 outlay costs.

7 SECTION 6. EXEMPTIONS FROM OBJECT AND PROGRAM TRANSFER LIMITATIONS.
8 For fiscal year 2014, the State Board of Education and the Board of Regents
9 of the University of Idaho for college and universities is hereby exempted
10 from the provisions of Section 67-3511(1), (2) and (3), Idaho Code, allow-
11 ing unlimited transfers between object codes and between programs, for all
12 moneys appropriated to it for the period July 1, 2014, through June 30, 2015.
13 Legislative appropriations shall not be transferred from one fund to another
14 fund unless expressly approved by the Legislature.

BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 17, 2014

SUBJECT

Community Colleges FY 2015 Appropriation Allocation

APPLICABLE STATUTE, RULE, OR POLICY

Senate Bill 1415 (2014)

BACKGROUND/DISCUSSION

The Legislature makes an annual appropriation to the State Board of Education for community college support. The allocation to the colleges includes the current year (FY 2014) base allocation plus each college's respective share in any annual budget adjustments according to the normal budgeting process.

IMPACT

This action allocates the FY 2015 Community Colleges appropriation to the institutions. The funds allocated along with revenue generated from other non-appropriated sources will establish the operating budgets. The FY 2015 Allocation is shown on Tab 5c, page 3.

The FY 2015 appropriation includes ongoing base funding for health insurance increases, 1% one-time and 1% ongoing Change in Employee Compensation (CEC) increases, a net increase for Enrollment Workload Adjustment (EWA), occupancy costs, and the following additional line item enhancements:

College of Southern Idaho	
Idaho Falls Outreach Center	\$143,600
STEM Faculty	100,000
College of Western Idaho	
Nursing Faculty and Staff	\$302,900
North Idaho College	
Sandpoint Outreach Center	\$302,300

ATTACHMENTS

Attachment 1 – FY 2015 CC Appropriations Allocation Page 3

Attachment 2 – Statement of Purpose/Fiscal Note Page 5

Attachment 3 – Appropriation Bill (S1415) Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the FY 2015 Community College allocation.

BOARD ACTION

I move to approve the allocation of the FY 2015 appropriation for the College of Southern Idaho, College of Western Idaho and North Idaho College, as presented on Tab 5c, Page 3.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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Idaho Community Colleges
FY 2015 Appropriation Allocation - JFAC Action
6-Mar-14

General Educ Approp: Bill No. SB1415

	CSI	CWI	NIC	Total
1 FY 14 Total Appropriation				
2 General Funds	11,948,200	8,248,800	10,029,600	30,226,600
3 Dedicated Funds	200,800	205,700	204,500	611,000
4 Total FY14 Total Appropriation	12,149,000	8,454,500	10,234,100	30,837,600
5				-
6 FY 15 Base				-
7 General Funds	11,948,200	8,248,800	10,029,600	30,226,600
8 Dedicated Funds	200,000	200,000	200,000	600,000
9 Total FY 14 Base	12,148,200	8,448,800	10,229,600	30,826,600
10				-
11 FY 15 Maintenance Items				
12 Benefit Cost Increases	38,400	100,400	117,100	255,900
13 CEC: 1% ongoing, 1% one-time	170,600	92,800	166,400	429,800
14 Enrollment Workload Adjustment	(346,300)	746,800	(274,300)	126,200
15	(137,300)	940,000	9,200	811,900
16 FY 15 Maintenance				-
17 General Funds	11,810,900	9,188,800	10,038,800	31,038,500
18 Dedicated Funds	200,000	200,000	200,000	600,000
19 Total FY 14 Maintenance	12,010,900	9,388,800	10,238,800	31,638,500
20				-
21 FY 15 Line Items				-
22 Occupancy Costs	210,800	880,400	-	1,091,200
23 Idaho Falls Outreach	143,600	-	-	143,600
24 STEM Faculty	100,000	-	-	100,000
25 Nursing Faculty & Staff	-	302,900	-	302,900
26 Sandpoint Outreach	-	-	302,300	302,300
27 Total Line Items	454,400	1,183,300	302,300	1,940,000
28				-
29 FY 15 Total Appropriation				-
30 General Funds	12,265,300	10,372,100	10,341,100	32,978,500
31 Dedicated Funds	200,000	200,000	200,000	600,000
32 FY 15 Total Appropriation	12,465,300	10,572,100	10,541,100	33,578,500
33				
34				
35 GF Change from FY 14 Total	2.7%	25.7%	3.1%	9.1%
36				
37 GF Appropriation Allocation				
38 PC	9,908,200	6,482,600	9,411,400	25,802,200
39 OE	1,749,700	3,888,900	914,700	6,553,300
40 CO	607,400	600	15,000	623,000
41 TB				0
42 Total General Funds	12,265,300	10,372,100	10,341,100	32,978,500

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STATEMENT OF PURPOSE

RS23134

This is the FY 2015 appropriation to the State Board of Education for Community Colleges in the amount of \$33,578,500. This appropriation provides for increased cost of benefits. The budget also provides for the equivalent of a 2% change in employee compensation (1% ongoing and 1% one-time). Additionally, it provides a non-discretionary adjustment for enrollment workload net increases. Finally, this budget includes five line items. Line item 1, provides \$1,091,200 ongoing from the General Fund for occupancy costs at the following facilities: CSI - The Advanced Technology and Innovation facility, \$210,800, and CWI - Micron Center for Professional-Technical Education, \$880,400. Line item 3 provides \$143,600 ongoing from the General Fund to the College of Southern Idaho to provide lower division courses in the Idaho Falls area. Line item 5 provides \$100,000 from the General Fund to the College of Southern Idaho to hire STEM (science, technology, engineering, and math) faculty to assist with developing and retaining highly qualified instructors in STEM subjects. Line item 6 provides \$302,900 ongoing from the General Fund to the College of Western Idaho to transition the PTE nursing program to a CWI-funded program. Line item 9 provides \$302,300 ongoing from the General Fund to North Idaho College to expand the Sandpoint Outreach Center to provide more comprehensive services to that area. Overall, this budget is a 8.9% increase above the FY 2014 appropriation.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2014 Original Appropriation	0.00	30,226,600	611,000	0	30,837,600
Noncognizable Funds and Transfers	0.00	0	0	0	0
FY 2014 Estimated Expenditures	0.00	30,226,600	611,000	0	30,837,600
Removal of One-Time Expenditures	0.00	0	(11,000)	0	(11,000)
FY 2015 Base	0.00	30,226,600	600,000	0	30,826,600
Benefit Costs	0.00	255,900	0	0	255,900
Inflationary Adjustments	0.00	0	0	0	0
Replacement Items	0.00	0	0	0	0
Change in Employee Compensation	0.00	429,800	0	0	429,800
Nondiscretionary Adjustments	0.00	126,200	0	0	126,200
FY 2015 Program Maintenance	0.00	31,038,500	600,000	0	31,638,500
1. Occupancy Costs, CSI, CWI	0.00	1,091,200	0	0	1,091,200
2. Accountability Framework, CSI, CWI, NIC	0.00	0	0	0	0
3. Idaho Falls Center - CSI	0.00	143,600	0	0	143,600
4. Graduation Rate Improvement - CSI	0.00	0	0	0	0
5. STEM Initiative - CSI	0.00	100,000	0	0	100,000
6. Nursing Support Staff - CWI	0.00	302,900	0	0	302,900
7. Virtual One-Stop Services - CWI	0.00	0	0	0	0
8. Expansion of Dual Credit - CWI	0.00	0	0	0	0
9. Expand Sandpoint Center - NIC	0.00	302,300	0	0	302,300
10. Establish Veteran's Center, NIC	0.00	0	0	0	0

Statement of Purpose / Fiscal Note

S1415

ATTACHMENT 2

FY 2015 Total	0.00	32,978,500	600,000	0	33,578,500
Chg from FY 2014 Orig Approp	0.00	2,751,900	(11,000)	0	2,740,900
% Chg from FY 2014 Orig Approp.	0.0%	9.1%	(1.8%)	0.0%	8.9%

**Contact:**

Paul Headlee
Budget and Policy Analysis
(208) 334-4746

BY FINANCE COMMITTEE

APPROPRIATING MONEYS TO THE STATE BOARD OF EDUCATION FOR COMMUNITY COLLEGES FOR 2015; EXEMPTING APPROPRIATION OBJECT AND PROGRAM TRANSFER LIMITATIONS; PROVIDING GUIDANCE FOR EMPLOYEE COMPENSATION; AND PROVIDING LEGISLATIVE INTENT RELATING TO SYSTEM-WIDE EXPENDITURES.

SECTION 1. There is hereby appropriated to the State Board of Education for Community Colleges, the following amounts to be expended according to the designated programs and expense classes, from the listed funds for the period July 1, 2014, through June 30, 2015:

	FOR PERSONNEL COSTS	FOR OPERATING EXPENDITURES	FOR CAPITAL OUTLAY	TOTAL
I. COLLEGE OF SOUTHERN IDAHO (CSI) :				
FROM:				
General				
Fund	\$9,908,200	\$1,749,700	\$607,400	\$12,265,300
Community College				
Fund	<u>163,900</u>	<u>27,300</u>	<u>8,800</u>	<u>200,000</u>
TOTAL	\$10,072,100	\$1,777,000	\$616,200	\$12,465,300

Fund	\$6,482,600	\$3,888,900	\$600	\$10,372,100
Community College				
Fund	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
TOTAL	\$6,482,600	\$4,088,900	\$600	\$10,572,100

Fund	\$9,411,400	\$914,700	\$15,000	\$10,341,100
------	-------------	-----------	----------	--------------

	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	
	COSTS	EXPENDITURES	OUTLAY	TOTAL
Community College				
Fund	<u>122,200</u>	<u>52,800</u>	<u>25,000</u>	<u>200,000</u>
TOTAL	\$9,533,600	\$967,500	\$40,000	\$10,541,100
GRAND TOTAL	\$26,088,300	\$6,833,400	\$656,800	\$33,578,500

SECTION 2. EXEMPTIONS FROM OBJECT AND PROGRAM TRANSFER LIMITATIONS. For fiscal year 2015, the State Board of Education for Community Colleges is hereby exempted from the provisions of Section 67-3511(1), (2) and (3), Idaho Code, allowing unlimited transfers between object codes and between programs, for all moneys appropriated to it for the period July 1, 2014, through June 30, 2015. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

SECTION 3. EMPLOYEE COMPENSATION. It is the intent of the Legislature, working cooperatively with the Governor's Office, the Division of Human Resources, and the Division of Financial Management, to progress toward the goal of funding a competitive salary and benefit package that will attract qualified applicants, retain employees committed to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance by:

- 1) Adjusting the compensation schedule upwards by 1% to move the salary structure toward market; and
- 2) Continuing the job classifications that are currently on payline exception to address specific recruitment or retention issues; and
- 3) Funding an ongoing 1% salary increase for state employees, and funding the equivalent of a one-time 1% bonus for state employees, based upon employee merit, with flexibility in distribution as determined by the agency directors.

The Legislature also finds that investing in state employee compensation should remain a high priority even in tough economic times, and therefore strongly encourages agency directors, institution executives and the Division of Financial Management to approve the use of salary savings to provide either one-time or ongoing merit increases for deserving employees and also to target employees who are below policy compensation. Such salary savings could result from turnover and attrition, or be the result of innovation and reorganization efforts that create savings. Such savings should be reinvested in employees. Agencies are cautioned to use one-time funding for one-time payments and ongoing funding for permanent pay increases.

SECTION 4. LEGISLATIVE INTENT. It is the intent of the Legislature that of the amount appropriated from the General Fund in Section 1 of this act, an amount not to exceed \$70,000 may be expended by the Office of the State Board

1 of Education for system-wide needs including, but not limited to, projects
2 to promote accountability and information transfer throughout the higher
3 education system.

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BUSINESS AFFAIRS & HUMAN RESOURCES
APRIL 18, 2013

DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION

SUBJECT

Allocation of the State Division of Professional-Technical Education Appropriation

APPLICABLE STATUTE, RULE, OR POLICY

Senate Bill 1416 (2014)

BACKGROUND

The Legislature appropriates funds for professional-technical education to the Division of Professional-Technical Education (PTE) in five designated programs: State Leadership and Technical Assistance, General Programs, Postsecondary Programs, Underprepared and Unprepared Adults/Displaced Homemakers, and Related Services. The PTE requests approval of the FY2015 appropriation allocation detailed on Page 3 (Attachment 1).

DISCUSSION

The allocation is based on the level of funding in Senate Bill 1416 and the provisions of the State Plan for Professional-Technical Education. The General Fund appropriation reflects an overall increase of 4.6% from the original FY2014 appropriation. The Legislature funded employee benefit increases; maintenance level increases in the statewide cost allocation for PTE and EITC; maintenance level increase for professional-technical school added cost support units; and one-time funds for replacement operating expenses and capital outlay at PTE and the six technical colleges. The Legislature also funded an ongoing increase for secondary added cost programs; ongoing funds for six (6) FTP at the technical colleges to start new Advanced Manufacturing Programs; and one-time funds for operating expenses and capital outlay for the new Advanced Manufacturing Programs.

IMPACT

Establish the FY 2015 operating budget.

ATTACHMENTS

Attachment 1 - FY15 Appropriation Allocation	Page 3
Attachment 2 - FY15 Statement of Purpose/Fiscal Note	Page 5
Attachment 3 - FY15 Appropriation Bill (S1416)	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the FY 2015 Division of Professional-Technical Education allocation.

BUSINESS AFFAIRS & HUMAN RESOURCES
APRIL 18, 2013

BOARD ACTION

I move to approve the request from the Division of Professional-Technical Education for the FY 2015 appropriation allocation as detailed on Tab 7d page 3 (Attachment 1).

Moved by _____ Seconded by _____ Yes ____ No ____

DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION
Allocation of State Division of Professional-Technical Education
FY 2015 Appropriation

	FY14 Allocation	FY15 Allocation
Program 01 (State Leadership and Technical Assistance)		
By Standard Class:		
Personnel Costs	\$ 1,896,700	\$ 1,966,800
Operating Expenses	344,900	533,400
Capital Outlay	35,500	13,700
Totals	<u>\$ 2,277,100</u>	<u>\$ 2,513,900</u>
By Source of Revenue:		
General Funds	1,908,800	1,954,300
One-time General Funds	43,700	226,800
Federal Funds	324,600	330,500
One-time Federal Funds	0	2,300
Totals	<u>\$ 2,277,100</u>	<u>\$ 2,513,900</u>
Program 02 (General Programs)		
By Major Program Area:		
Secondary Formula	\$ 9,185,651	\$ 9,968,149
Professional-Technical School Added Cost	3,056,900	3,100,300
General Programs Leadership	212,900	220,700
Special Programs		
Federal Leadership	650,348	637,698
Advanced Learning Partnership	544,341	536,993
Adult/Retraining	766,442	771,442
Support and Improvement Services	1,055,918	1,050,918
Totals	<u>\$ 15,472,500</u>	<u>\$ 16,286,200</u>
By Source of Revenue		
General Funds	\$ 10,965,000	\$ 11,770,900
One-time General Funds	-	1,700
Federal Funds	4,439,700	4,444,200
One-time Federal Funds	0	1,600
Dedicated Funds	67,800	67,800
Totals	<u>\$ 15,472,500</u>	<u>\$ 16,286,200</u>
Program 03 (Postsecondary Programs)		
By Technical College:		
College of Southern Idaho	5,550,484	6,132,904
College of Western Idaho	6,636,014	7,190,154
Eastern Idaho Technical College	5,925,591	6,473,431
Idaho State University	9,606,598	10,397,898
Lewis-Clark State College	3,779,397	4,124,917
North Idaho College	4,079,616	4,308,696
Totals	<u>\$ 35,577,700</u>	<u>\$ 38,628,000</u>
By Source of Revenue:		
General Funds	\$ 34,931,300	\$ 36,311,200
One-time General Funds	136,400	1,836,800
Unrestricted Funds	510,000	480,000
Totals	<u>\$ 35,577,700</u>	<u>\$ 38,628,000</u>

DIVISION OF PROFESSIONAL-TECHNICAL EDUCATION
Allocation of State Division of Professional-Technical Education
FY 2015 Appropriation

	FY14 Allocation	FY15 Allocation
Program 04 (Underprepared Adults/Displaced Homemaker Program)		
By Major Program:		
Postsecondary Formula	\$ 1,747,300	\$ 1,747,300
Displaced Homemaker Program	170,000	170,000
Totals	\$ 1,917,300	\$ 1,917,300
By Source of Revenue:		
General Funds	\$ -	\$ -
Federal Funds	1,747,300	1,747,300
Dedicated Funds	170,000	170,000
Totals	\$ 1,917,300	\$ 1,917,300
Program 05 (Related Services)		
By Standard Class:		
Personnel Costs	\$ 381,300	\$ 398,700
Operating Expenses	232,700	195,000
Trustee Payments	2,879,700	3,014,900
Totals	\$ 3,493,700	\$ 3,608,600
By Source of Revenue:		
General Funds	972,200	976,200
One-time General Funds	0	1,100
Federal Funds	2,136,500	2,237,900
One-time Federal Funds	0	400
Dedicated Funds	140,000	140,000
Miscellaneous Revenue	245,000	251,200
One-time Miscellaneous Revenue	0	1,800
Totals	\$ 3,493,700	\$ 3,608,600
By Source of Revenue:		
General Funds	\$ 48,777,300	\$ 51,012,600
One-time General Funds	180,100	2,066,400
Federal Funds	8,648,100	8,759,900
One-time Federal Funds	0	4,300
Dedicated Funds	377,800	377,800
Unrestricted Funds	510,000	480,000
Miscellaneous Revenue	245,000	251,200
One-time Miscellaneous Revenue	0	1,800
Totals	\$ 58,738,300	\$ 62,954,000

STATEMENT OF PURPOSE

RS23135

This is the FY 2015 appropriation to the Division of Professional-Technical Education in the amount of \$62,954,000. This appropriation provides for increased cost of benefits, replacement items, a reduction for statewide cost allocation, and the network billing proposal for the Department of Administration. Additionally, it provides a non-discretionary statutory adjustment for enrollment workload increases. The budget provides for the equivalent of a 2% change in employee compensation (1% ongoing and 1% one-time). This budget also includes two line items. Line item 1 provides 6 full-time equivalent positions and \$1,334,600 for the advanced manufacturing initiative. Of this amount, the six FTP would be divided equally among the six technical colleges, \$416,500 would be ongoing for salaries and benefits, \$169,200 would be one-time for operating expenditures, and \$748,900 would be one-time for capital outlay. This funding is to be allocated as follows: College of Southern Idaho's Food Processing Technology Program, \$298,900; College of Western Idaho's Advanced Manufacturing Program, \$235,000; Eastern Idaho Technical College's Welding Fabrication and Advanced Manufacturing Technologies, \$300,800; Idaho State University's Advanced Manufacturing Technology Program, \$310,100; Lewis-Clark State College's Electronic Engineering Technology Program, \$126,800; and North Idaho College's Advanced Manufacturing Aerospace Instruction Program, \$63,000. Line item 2 provides \$756,400 to increase PTE's secondary schools added-cost unit values. Specifically, the Agriculture Science and Technology Programs and the Agriculture Science/Mechanics Programs unit values are directed be increased from \$10,260 to \$15,000 and all other programs at the high school level will see a 5% increase in their unit cost values. Overall, this budget is a 7.2% increase above the FY 2014 appropriation.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2014 Original Appropriation	515.96	48,957,400	1,132,800	8,648,100	58,738,300
Reappropriation	0.00	0	360,800	326,600	687,400
FY 2014 Total Appropriation	515.96	48,957,400	1,493,600	8,974,700	59,425,700
Noncognizable Funds and Transfers	(7.87)	0	0	99,500	99,500
FY 2014 Estimated Expenditures	508.09	48,957,400	1,493,600	9,074,200	59,525,200
Removal of One-Time Expenditures	0.00	(180,100)	(360,800)	(326,600)	(867,500)
Base Adjustments	0.00	0	(30,000)	0	(30,000)
FY 2015 Base	508.09	48,777,300	1,102,800	8,747,600	58,627,700
Benefit Costs	0.00	727,700	4,400	10,200	742,300
Replacement Items	0.00	852,200	0	0	852,200
Statewide Cost Allocation	0.00	(5,900)	0	(2,200)	(8,100)
Change in Employee Compensation	0.00	592,600	3,600	8,600	604,800
Nondiscretionary Adjustments	0.00	43,400	0	0	43,400
FY 2015 Program Maintenance	508.09	50,987,300	1,110,800	8,764,200	60,862,300
1. Advanced Manufacturing Initiative	6.00	1,334,600	0	0	1,334,600
2. Secondary Schools Unit Cost Increase	0.00	756,400	0	0	756,400

Statement of Purpose / Fiscal Note

S1416

ATTACHMENT 2

Network Billing Adjustment	0.00	700	0	0	700
FY 2015 Total	514.09	53,079,000	1,110,800	8,764,200	62,954,000
Chg from FY 2014 Orig Approp	(1.87)	4,121,600	(22,000)	116,100	4,215,700
% Chg from FY 2014 Orig Approp.	(0.4%)	8.4%	(1.9%)	1.3%	7.2%

**Contact:**

Paul Headlee
Budget and Policy Analysis
(208) 334-4746

	FOR	FOR	FOR	FOR	
	PERSONNEL	OPERATING	CAPITAL	TRUSTEE AND	
	COSTS	EXPENDITURES	OUTLAY	BENEFIT	TOTAL
				PAYMENTS	
III. POSTSECONDARY PROGRAMS:					
FROM:					
General					
Fund	\$33,809,700	\$2,956,900	\$1,381,400		\$38,148,000
Unrestricted					
Fund	<u>0</u>	<u>480,000</u>	<u>0</u>		<u>480,000</u>
TOTAL	\$33,809,700	\$3,436,900	\$1,381,400		\$38,628,000
IV. UNDERPREPARED ADULTS/DISPLACED HOME MAKERS:					
FROM:					
Displaced Homemaker					
Fund				\$170,000	\$170,000
Federal Grant					
Fund				<u>1,747,300</u>	<u>1,747,300</u>
TOTAL				\$1,917,300	\$1,917,300
V. RELATED SERVICES:					
FROM:					
General					
Fund	\$130,700	\$5,700		\$840,900	\$977,300
Miscellaneous Revenue					
Fund	221,500	31,500			253,000
Seminars and Publications					
Fund		140,000			140,000
Federal Grant					
Fund	<u>46,500</u>	<u>17,800</u>		<u>2,174,000</u>	<u>2,238,300</u>
TOTAL	\$398,700	\$195,000		\$3,014,900	\$3,608,600
GRAND TOTAL	\$36,552,500	\$4,202,100	\$1,395,100	\$20,804,300	\$62,954,000

SECTION 2. EMPLOYEE COMPENSATION. It is the intent of the Legislature, working cooperatively with the Governor's Office, the Division of Human Resources, and the Division of Financial Management, to progress toward the goal of funding a competitive salary and benefit package that will attract qualified applicants, retain employees committed to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance by:

- 1) Adjusting the compensation schedule upwards by 1% to move the salary structure toward market; and
- 2) Continuing the job classifications that are currently on payline exception to address specific recruitment or retention issues; and
- 3) Funding an ongoing 1% salary increase for state employees, and funding the equivalent of a one-time 1% bonus for state employees, based upon employee merit, with flexibility in distribution as determined by the agency directors.

The Legislature also finds that investing in state employee compensation should remain a high priority even in tough economic times, and therefore strongly encourages agency directors, institution executives and the Division of Financial Management to approve the use of salary savings to provide either one-time or ongoing merit increases for deserving employees and also to target employees who are below policy compensation. Such salary savings could result from turnover and attrition, or be the result of innovation and reorganization efforts that create savings. Such savings should be reinvested in employees. Agencies are cautioned to use one-time funding for one-time payments and ongoing funding for permanent pay increases.

SECTION 3. EXEMPTIONS FROM OBJECT TRANSFER LIMITATIONS. For fiscal year 2015, the Division of Professional-Technical Education, Postsecondary Program, is hereby exempted from the provisions of Section 67-3511(1) and (3), Idaho Code, allowing unlimited transfers between object codes, for all moneys appropriated to it for the period July 1, 2014, through June 30, 2015. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

SECTION 4. NON-GENERAL FUND REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Professional-Technical Education, any unexpended and unencumbered balances of moneys categorized as dedicated funds and federal funds as appropriated for fiscal year 2014, to be used for nonrecurring expenditures, for the period July 1, 2014, through June 30, 2015.

SECTION 5. LEGISLATIVE INTENT. It is the intent of the Legislature that within General Programs, ongoing funding provided in this act be used to increase the secondary schools added-cost unit values for the Agriculture Science and Technology Programs and the Agriculture Science/Mechanics Programs from \$10,260 to \$15,000 and to increase the secondary schools added-cost unit values by 5% for all other secondary programs.

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

SUBJECT

FY 2015 Athletics Limits

REFERENCE

August 2012	Board approved second reading of new section V.X. Intercollegiate Athletics which set athletics and gender equity limits
February 2014	Board approved first reading to exclude conference entry/exit fees from institutional funds limit

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND/DISCUSSION

Board Policy V.X. clarifies “sources of funds” and “gender equity” as defined terms, requires an annual gender equity report, and requires Board approval of all annual limits on athletics expenditures. The General Fund appropriation is used for the purpose of calculating the limit on state General Funds for the athletics program as a whole and funds used for gender equity. For the purpose of computing the limit on Institutional Funds, the policy uses the rate of change of total Appropriated Funds as the calculator. Funds allocated and used by athletics are limited as follows:

- a. State General Funds –
- i. The limit for State General Funds shall be allocated in two categories: General Funds used for athletics and General Funds used to comply with Title IX (gender equity).
 - ii. FY 2014 vs. FY 2015 General Fund limits:

	<u>FY 2014</u>	<u>FY 2015</u>
1) General Funds for Athletics:		
a) Universities	\$2,515,800	\$2,671,900
b) Lewis-Clark State College	\$ 935,300	\$ 993,300
2) General Funds for Gender Equity:		
a) Boise State University	\$1,109,700	\$1,178,600
b) Idaho State University	\$ 734,400	\$ 780,000
c) University of Idaho	\$ 961,600	\$1,021,300
d) Lewis-Clark State College	\$ 0	\$ 0
 - iii. The methodology used for computing the limits for both categories of State General Funds is calculating the rate of change for the next fiscal year ongoing state General Funds compared to the ongoing state General Funds in the current fiscal year, and then apply the rate of change to both limits approved by the Board in the previous year. These limits are approved annually by the Board.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

b. Institutional funds –

i. FY 2014 vs. FY 2015 limits:

	<u>FY 2014</u>	<u>FY 2015</u>
1) Boise State University	\$ 406,400	\$430,200
2) Idaho State University	\$ 568,900	\$602,200
3) University of Idaho	\$ 812,800	\$860,400
4) Lewis-Clark State College	\$ 162,400	\$171,900

- ii. The methodology used to compute the limits for Institutional Funds is to calculate the rate of change for the next fiscal year ongoing Appropriated Funds compared to the ongoing Appropriated Funds in the current fiscal year, and then apply the rate of change to the limit approved by the Board in the previous year. These limits are also approved annually by the Board. “Appropriated Funds” means all funds appropriated by the Legislature to the institutions, including but not limited to, State General Funds, endowment funds, and appropriated tuition and fees.

IMPACT

General Funds Limit

The recommended FY 2015 General Funds limit shown in Attachment 1, lines 28-31 (columns f and g) represents a 6.21% increase as shown on line 9 under the “JFAC Action FY15” column.

Institutional Funds Limit

The institutional fund limits, as shown in Attachment 1, lines 14-21, represents a 5.86% increase as shown on line 8 under the “JFAC Action FY15” column.

ATTACHMENTS

Attachment 1 – FY 2015 Athletics Limits

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Board agenda item Tab 7 includes the gender equity plans for each institution. Included in that agenda item, an institution could request additional funding to add a new sport or to address other compliance issues. It should be noted that an increase in students fees may be required should the Board request an increase in the limit.

Staff recommends approval of the limits as recommended.

BOARD ACTION

I move to approve the FY 2015 athletics limits for General Funds as listed in Attachment 1 lines 28-31 and the FY 2015 athletics limits for Institutional Funds as listed in Attachment 1 lines 14-21.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

State Board of Education

Intercollegiate Athletics Support Limits

									JFAC Action
1	Calculation of Limits:	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
2	Appropriated Funds:								
3	Appropriation Allocation:								
4	General Funds	259,296,600	276,181,100	243,278,100	217,510,800	208,237,100	227,950,500	236,543,600	251,223,200
5	Endowment	7,851,500	8,595,000	9,616,400	9,616,400	9,616,600	9,927,400	10,729,200	12,528,000
6	Student Fee Revenue	124,329,300	127,108,700	133,651,800	146,341,600	177,262,700	202,268,900	216,048,800	226,704,200
7	Total Appropriated Funds	391,477,400	411,884,800	386,546,300	373,468,800	395,116,400	440,146,800	463,321,600	490,455,400
8	% Growth: Appropriated Funds	5.47%	5.21%	-6.15%	-3.38%	5.80%	11.40%	5.27%	5.86%
9	% Growth: General Funds	6.39%	6.51%	-11.91%	-10.59%	-4.26%	9.47%	3.77%	6.21%
10	% Growth: Student Fees	3.76%	2.24%	5.15%	9.49%	21.13%	14.11%	6.81%	4.93%
11									
12	Institutional Funds:								
13	Limits:								
14	Boise State University	363,300	382,200	358,700	346,600	346,600	386,100	406,400	430,200
15	% Growth from Prior Year	5.46%	5.20%	-6.15%	-3.37%	0.00%	11.40%	5.26%	5.86%
16	Idaho State University	508,500	535,000	502,100	485,100	485,100	540,400	568,900	602,200
17	% Growth from Prior Year	5.48%	5.21%	-6.15%	-3.39%	0.00%	11.40%	5.27%	5.85%
18	University of Idaho	726,500	764,400	717,400	693,100	693,100	772,100	812,800	860,400
19	% Growth from Prior Year	5.47%	5.22%	-6.15%	-3.39%	0.00%	11.40%	5.27%	5.86%
20	Lewis-Clark State College	145,300	152,900	143,500	138,600	138,500	154,300	162,400	171,900
21	% Growth from Prior Year	5.44%	5.23%	-6.15%	-3.41%	-0.07%	11.41%	5.25%	5.85%
22									
23									
24					(a x 6.21%)	(b x 6.21%)	(a + d)	(b + e)	
25		(a)	(b)		(d)	(e)	(f)	(g)	
26	General Fund Limit Detail	FY 2014 General Account Limits		FY 2015 General Account Limits					
27		FY14 G.F.	FY14 G.E.		G.F. Increase	G.E. Increase	FY15 G.F.	FY15 G.E.	
28	Boise State University	2,515,800	1,109,700		156,100	68,900	2,671,900	1,178,600	
29	Idaho State University	2,515,800	734,400		156,100	45,600	2,671,900	780,000	
30	University of Idaho	2,515,800	961,600		156,100	59,700	2,671,900	1,021,300	
31	Lewis-Clark State College	935,300	0		58,000	0	993,300	0	
32	Total	8,482,700	2,805,700		526,300	174,200	9,009,000	2,979,900	

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COLLEGE AND UNIVERSITIES OF THE STATE BOARD

SUBJECT

Gender Equity Reports

REFERENCE

August 2012

Board approved revisions to policy V.X., Intercollegiate Athletics, which requires a gender equity report

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Section V.X.

BACKGROUND/ DISCUSSION

The Board last reviewed the gender equity reports at the August 2013 meeting. Since that time, the Athletics Committee and the institutions have worked together in improving the gender equity report. The institutions used varying allocation methodologies to determine the costs for various program benefits (e.g. locker rooms, equipment, tutoring) and to allocate revenues to women's sports. Most revenues such as student fees, booster support, and institutional funds are not directly linked to women's sports only. It was determined that strict compliance to Title IX cannot be shown on a one-page report. The template can only show strict mathematical compliance with financial aid. For these reasons, the revised gender equity report includes the following features:

1. Maintains the first three sections of the report for Accommodations of Interests and Abilities, Financial Aid, and Participants by Sport.
2. Shows the total direct cost of all women's sports. This amount is shown in the regular February athletic compensation and June budget reports and eliminates the need for the institutions to make an arbitrary allocation of indirect costs.
3. Eliminates the historical cost of the sports added since 1998, athletic financial aid, the costs for eleven program benefit areas, and the allocation of revenue sources. Instead, the report shows the total direct cost of women's sports compared to the total direct cost of men's sports. The percentage of the gender equity limit to total direct cost of woman's sports is shown.
4. Continues to show prior year actual, current year forecast, and four years' projection. Also continues to show any new sports and its effect on the Accommodations of Interest test, Financial Aid test, and participants by sport. New sports show the effect over time to the mix between men and women sports and to the funding sources between the gender equity limit

BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 17, 2014

and all other sources. A narrative outlines any increase to the gender equity limit and other sources of revenue.

It was determined this information would be more informative than the historical cost of sports added since 1998 as the limit on General Funds is small compared to the total direct cost for all women's sports. The comparison of total direct costs for women and men and the allocation between the gender equity limit and total direct costs were also considered to be a better gauge in determining how much support should be provided to women's sports.

While the first section of the revised report shows how the institution is progressing toward mathematical compliance for Accommodations and Interests, an institution can also be in compliance by showing a history and continuing practice of program expansion or demonstrating the interests of the underrepresented gender have been fully accommodated by the current sports offered. This information, and compliance with the eleven program benefit areas, will be reviewed by the Athletics Committee from existing documentation provided by each institution. This includes existing National Collegiate Athletic Association (NCAA) compliance and similar reports. These can be available to the full Board upon request.

Finally, the number of years included in the forecast was reduced considerably to five out-years which should be more meaningful in showing an institution's plan to address any issues with gender equity compliance.

IMPACT

Calculated increases to the gender equity limits provide funding to cover rising costs for inflation, scholarships, and other athletics costs. The gender equity limits were reviewed by the Board in a prior agenda.

ATTACHMENTS

Attachment 1 – Boise State University narrative	Page 5
Attachment 2 – BSU gender equity report	Page 7
Attachment 3 – Idaho State University narrative	Page 9
Attachment 4 – ISU gender equity report	Page 11
Attachment 5 – University of Idaho narrative	Page 13
Attachment 6 – UI gender equity report	Page 15
Attachment 7 – Lewis-Clark State College narrative	Page 17
Attachment 8 – LCSC gender equity report	Page 19

BUSINESS AFFAIRS AND HUMAN RESOURCES
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STAFF COMMENTS AND RECOMMENDATIONS

The Accommodations and Interests section includes information on average squad size by gender and the number needed for mathematical compliance. Per the Office of Civil Right's 1996 Policy Clarification, determining how close is "close enough" can be done using the following formula:

- 1) Identify the average number of participants per team of the under-represented gender; and
- 2) Identify the number of participants that is needed to be added to the current program to achieve strict proportionality.

If the average number in 1) is larger, then there is compliance with the substantial proportionality factor of part three of the test. If the number to be added in 2) above is larger, then there is noncompliance with the substantial proportionality factor of part three of the test.

The Financial Aid section shows whether an institution is in compliance. Financial assistance must be substantially proportionate to the ratio of male and female athletes. Institutions within 1% variance are considered compliant.

A narrative describing the current status of gender equity compliance is provided along with the gender equity report for each institution.

Board policy states it is the intent of the Board that increases in program revenues should be maximized before increases to the athletic limits will be considered.

BOARD ACTION

I move to approve the Gender Equity Reports for Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College as submitted.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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Title IX Compliance – Boise State Athletics

At Boise State University, the Athletic Department, with oversight from the Intercollegiate Athletic Advisory Committee (IAAC) Gender-Equity Subcommittee, conducts an annual *Gender-Equity Review for Compliance with Title IX in Athletics*. The outcome of this report includes recommendations to the university that help achieve and maintain compliance in areas where gender differences may currently exist or may be developing. The recommendations that have been made between FY10 and FY13 are outlined in the *Summary of Recommendations and Progress* submitted to the Athletics Committee. Progress towards completion of each recommendation was last updated March 2014.

Additionally, the Boise State Athletic Department currently has consultant, Good Sports Inc., Title IX and Gender Equity Specialists, under contract to review our department in the areas of **Accommodation of Interests and Abilities, Athletic Financial Assistance, and Locker Rooms, Practice and Competitive Facilities**. The consultant's scope of work, scheduled to be completed May 2014, includes: (a) Review of FY13 and FY14 data for analysis of participation opportunities and financial aid; (b) Review of the FY10-FY13 *Gender-Equity Review for Compliance with Title IX in Athletics* reports; and (c) Campus visit in April to view all athletic facilities.

I. Participation Opportunities

In regards to participation opportunities, Boise State University **complies with this program component** by providing women and men with participation opportunities at rates that are at or near proportionate to their respective rates of enrollment as full-time undergraduate students.

The athletic participation review is in progress for FY14, but in FY13 athletic participation was 51.37% women to 48.63% men. Boise State's fulltime undergraduate enrollment combined total was 51% female and 49% male. The FY13 comparison of undergraduate enrollment to athletic participation opportunities indicating that **males were the underrepresented gender** (in the previous year males were also under-represented).

While Boise State does not meet strict proportionality (athletic participation rates match *exact* undergraduate enrollment rates for each gender), the OCR's 1996 Policy Clarification explains how to determine "how close is close enough." OCR evaluators identify:

- A. The average number of participants per team in the underrepresented gender;
- B. The number of participants in the underrepresented gender to be added to the current program to achieve strict proportionality; and
- C. Determine which of the two numbers is larger.

If the average number of participants per team of the underrepresented gender is larger, compliance with test one (proportionality) is achieved.

For Boise State, the average number of participants per men's team in FY13 was 35 (277 male participants, 8 men's teams). In order to meet strict proportionality, using the 2012-2013 athletic participation and undergraduate enrollment numbers, 9 additional male participants would be needed to reach 49% athletic participation. Because the average number of participants per

men's team is larger than the number of male participants to be added to the current program to achieve strict proportionality (35 versus 9), **Boise State is in compliance with test one of the three part test regarding participation opportunities.**

Further, to ensure continued compliance in this program area, head coaches are provided guidelines for roster size maximums and minimums annually. Each roster size is based on the head coach's input on their ideal roster size with consideration of the overall program participation rates. This practice will be continued in upcoming years and represents the Athletic Department's continued effort to provide equal participation opportunities with respect to undergraduate enrollment.

II. Financial Aid

In regards to athletic scholarships, Boise State University **complies with this program component** by providing women and men athletic financial aid at rates that are within one percentage point to their respective rates of financial aid participation (unduplicated count).

In FY13, the variance between unduplicated participation and the *NCAA Squad List Athletic Grant Amount*¹ was 0.73% (an improvement from the 1.66% variance the previous year) with favor to males. However, continued compliance in this area should be considered. The current athletic programs offered at Boise State University allows an NCAA imposed maximum of 129.5 athletic scholarships that can be awarded to male participants and a NCAA maximum of 111 athletic scholarships that can be awarded to female participants. In 2011-12, NCAA imposed penalties that altered the maximum scholarships that were to be awarded for both men and women. With the outstanding penalties in place in FY13, 104.82 of the 111 scholarships were awarded to females and 122.56 of the 129.5 were awarded to male participants. Of the women's programs (not under NCAA penalty), golf (5.98 of 6.0), soccer (13.87 of 14.0), softball (10.92 of 12.0), and swimming and diving (13.26 of 14.0) awarded fewer than their maximum allowable scholarships. Each coach provided explanation as to why maximum scholarships were not awarded for the FY13 academic term. All four coaches had explanations that would be considered "reasonable professional decisions," softball was the only program that awarded less than the maximum number of scholarships due to budget restrictions. It continues to be a recommendation that the Athletic Department require coaches to fully award female athletic scholarship dollars unless there is a reasonable professional decision to do otherwise.

III. Summary of Recommendations and Progress

With regard to remaining eleven program areas under **Athletic Benefits and Opportunities**, the Gender-Equity Subcommittee has made new recommendations to continue improving program areas in order to maintain or achieve equity between male and female student-athletes. Those recommendations and progress towards completion are outlined in the report submitted to the Athletics Committee.

¹ Note: *NCAA Squad List Athletic Grant Amount* and actual budget amounts for athletic aid differ. For example, in FY13, actual dollars awarded to females for financial aid was \$1,062,184, while the *NCAA Squad List Athletic Grant Amount* was \$2,727,884.

**Intercollegiate Athletics - Gender Equity
Boise State University**

Attachment 2

				Estimates					
				FY13 ACT	FY14 PROJ	FY15	FY16	FY17	FY18
1	TITLE IX COMPLIANCE: Accommodations of Interests & Abilities:								
2	FT Students	Male		5,851	5,883	6,101	6,223	6,347	6,474
3	(undergraduate student body)	Female		6,309	6,297	6,388	6,516	6,646	6,779
4	%:	Male		48.12%	48.30%	48.85%	48.85%	48.85%	48.85%
5		Female		51.88%	51.70%	51.15%	51.15%	51.15%	51.15%
6	Athletic Participants	Male		277	259	280	280	280	280
7	Title IX Definition of Participant	Female		297	275	271	271	271	271
8	%:	Male		48.26%	48.50%	50.82%	50.82%	50.82%	50.82%
9		Female		51.74%	51.50%	49.18%	49.18%	49.18%	49.18%
10	Variance between FT and Athletics			0.14%	0.20%	1.97%	1.97%	1.97%	1.97%
11	Number of Sports Teams at Institution by Gender:	Male		8	8	8	8	8	8
12		Female		11	12	12	12	12	12
13	Male Student Athletes Needed			-1.56	-2.08	-21.18	-21.19	-21.19	-21.19
14	Male Squad Size Average			35	32	35	35	35	35
15	Female Student Athletes Needed			1.68	2.23	22.17	22.18	22.19	22.19
16	Female Squad Size Average			27	23	23	23	23	23
17	TITLE IX COMPLIANCE: Athletic Financial Aid								
18	Financial Aid Participants	Male		225	209	222	222	222	222
19	Current (unduplicated)	Female		213	193	185	185	185	185
20	New Sports (unduplicated)	Female		0	0	0	0	0	0
21	Subtotal Female Participants	Female		213	193	185	185	185	185
22	%:	Male		51.37%	51.99%	54.55%	54.55%	54.55%	54.55%
23		Female		48.63%	48.01%	45.45%	45.45%	45.45%	45.45%
24	Athletic Financial Aid Totals	Male		\$ 2,967,193	\$ 3,247,158	\$ 3,489,803	\$ 3,699,191	\$ 3,921,143	\$ 4,156,411
25	Current	Female		\$ 2,727,884	\$ 2,846,899	\$ 2,977,756	\$ 3,156,421	\$ 3,345,807	\$ 3,546,555
26	New Sports	Female		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Subtotal Female	Female		\$ 2,727,884	\$ 2,846,899	\$ 2,977,756	\$ 3,156,421	\$ 3,345,807	\$ 3,546,555
28	%:	Male		52.10%	53.28%	53.96%	53.96%	53.96%	53.96%
29		Female		47.90%	46.72%	46.04%	46.04%	46.04%	46.04%
30	Variance between Financial Aid & Undup Participants			-0.73%	-1.29%	0.59%	0.59%	0.59%	0.59%
31	PARTICIPANTS BY SPORT:								
32	Men's Programs								
33		Football		105	103	110	110	110	110
34		Basketball		14	16	16	16	16	16
35		Indoor Track		48	33	40	40	40	40
36		Outdoor Track		44	35	40	40	40	40
37		Cross Country		13	17	18	18	18	18
38		Tennis		11	11	12	12	12	12
39		Wrestling		34	35	34	34	34	34
40		Golf		8	9	10	10	10	10
41		Total Male Participants		277	259	280	280	280	280
42	Women's Programs:								
43		Basketball		16	16	15	15	15	15
44		Volleyball		15	16	15	15	15	15
45		Sand Volleyball			16	15	15	15	15
46		Gymnastics		15	15	16	16	16	16
47		Swimming and Diving		25	27	26	26	26	26
48		Skiing							
49		Soccer		35	32	26	26	26	26
50		Golf		9	9	9	9	9	9
51		Tennis		11	10	11	11	11	11
52		Indoor Track		60	43	49	49	49	49
53		Outdoor Track		58	44	49	49	49	49
54		Cross Country		30	23	22	22	22	22
55		Softball		23	24	18	18	18	18
56		Total Female Participants		297	275	271	271	271	271
57		Total Participants		574	534	551	551	551	551
58	SPORTS COSTS								
59	Current Direct Costs of Women's Sports, including financial aid			5,223,765	5,219,225	5,419,225	5,619,225	5,819,225	6,019,225
60	Direct Costs of New Women's Sports, including financial aid			0	25,000	70,000	40,000	40,000	40,000
61	Total Direct Costs for Women's Sports			5,223,765	5,244,225	5,489,225	5,659,225	5,859,225	6,059,225
62	Gender Equity Limit			976,872	1,109,700	1,178,600	1,278,600	1,378,600	1,478,600
63	Percentage of Gender Equity Limit to Total Direct Costs for Women's Sports			18.7%	21.2%	21.5%	22.6%	23.5%	24.4%

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Gender Equity Report - Narrative

Idaho State University

3/17/2014

Throughout the history of Idaho State University, the Department of Athletics has been through three cycles of the NCAA Certification Program. On each of the occasions, the cycles were successfully concluded with “certified” status being awarded by the NCAA Committee on Athletic Certification. After successfully completing the third cycle, on March 10, 2011, the Idaho State University Athletic Department was fully certified. Anticipating the next cycle of NCAA certification, the Athletic Department has self-identified areas to focus on and monitor to ensure its on-going certification.

In 2010, University President Arthur Vailas appointed a Gender Equity Committee/Focus Group. The group membership consists of the Vice-President for Associated Students of ISU, the Vice-President for Academic Affairs, the Director for NCAA Athletic Certification, the Executive Director of the Student Union, the Assistant Vice-President for Finance and Administration, the Associate Athletic Director/SWA, the Director Office of Affirmative Action, the Vice-President of Facilities Operations and Services, the Director for Institutional Research, and any Community member/ISU Alumnus. This committee meets quarterly and has oversight to address the status and ongoing progress of the athletics department’s gender equity initiatives.

The ISU President and his senior administration have dedicated support and resources to Gender Equity and have made a financial commitment to maintain compliance in this area. The university has hired Valerie McMurtrie Bonnett, a Title IX and Gender Equity Specialist, to review and advise in the areas of financial aid and participation. The findings will be reported to the University by the end of the fiscal year. In regards to athletic participant proportionality, Idaho State University has achieved proportionality in two of the last three fiscal years, and internal projections indicate that proportionality will be maintained for the foreseeable future.

In addition, the Athletic Department continues to monitor and evaluate the eleven areas of gender equity.

1. Equipment and Supplies
2. Scheduling of Games and Practice Times
3. Team Travel and Per Diem allowances
4. Tutors
5. Coaches
6. Locker room, Practice and Competition Services
7. Medical and Training Facilities and Services
8. Housing and Dining Facilities
9. Publicity/Marketing
10. Support Services
11. Recruitment of Student-Athletes

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**Intercollegiate Athletics - Gender Equity
Idaho State University**

Attachment 4

			Estimates						
			FY13 ACT	FY14 PROJ	FY15	FY16	FY17	FY18	
1	TITLE IX COMPLIANCE: Accommodations of Interests & Abilities:								
2	FT Students	Male	3,633	3,444	3,444	3,444	3,444	3,444	
3	(undergraduate student body)	Female	3,745	3,525	3,525	3,525	3,525	3,525	
4	%:	Male	49.24%	49.42%	49.42%	49.42%	49.42%	49.42%	
5		Female	50.76%	50.58%	50.58%	50.58%	50.58%	50.58%	
6	Athletic Participants	Male	208	196	198	198	198	198	
7	Title IX Definition of Participant	Female	206	217	209	209	209	209	
8	%:	Male	50.24%	47.46%	48.65%	48.65%	48.65%	48.65%	
9		Female	49.76%	52.54%	51.35%	51.35%	51.35%	51.35%	
10	Variance between FT and Athletics		1.00%	-1.96%	-0.77%	-0.77%	-0.77%	-0.77%	
11	Number of Sports Teams at Institution by Gender:	Male	6	6	6	6	6	6	
12		Female	9	9	9	9	9	9	
13	Male Student Athletes Needed		-8.16	16.01	6.20	6.20	6.20	6.20	
14	Male Squad Size Average		35	33	33	33	33	33	
15	Female Student Athletes Needed		8.41	-16.39	-6.34	-6.34	-6.34	-6.34	
16	Female Squad Size Average		23	24	23	23	23	23	
17	TITLE IX COMPLIANCE: Athletic Financial Aid								
18	Financial Aid Participants	Male	131	123	123	123	123	123	
19	Current (unduplicated)	Female	123	122	130	130	130	130	
20	New Sports (unduplicated)	Female	0	0	0	0	0	0	
21	Subtotal Female Participants	Female	123	122	130	130	130	130	
22	%:	Male	51.57%	50.20%	48.62%	48.62%	48.62%	48.62%	
23		Female	48.43%	49.80%	51.38%	51.38%	51.38%	51.38%	
24	Athletic Financial Aid Total	Male	\$ 1,268,029	\$ 1,265,470	\$ 1,258,588	\$ 1,283,760	\$ 1,309,435	\$ 1,335,624	
25	Current	Female	\$ 1,106,493	\$ 1,074,420	\$ 1,201,152	\$ 1,225,175	\$ 1,249,679	\$ 1,274,672	
26	New Sports	Female	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
27	Subtotal Female	Female	\$ 1,106,493	\$ 1,074,420	\$ 1,201,152	\$ 1,225,175	\$ 1,249,679	\$ 1,274,672	
28	%:	Male	53.40%	54.08%	51.17%	51.17%	51.17%	51.17%	
29		Female	46.60%	45.92%	48.83%	48.83%	48.83%	48.83%	
30	Variance between Financial Aid & Undup Participants		-1.83%	-3.88%	-2.55%	-2.55%	-2.55%	-2.55%	
31	PARTICIPANTS BY SPORT:								
32	Men's Programs								
33		Football	88	83	85	85	85	85	
34		Basketball	15	15	15	15	15	15	
35		Indoor Track	41	39	39	39	39	39	
36		Outdoor Track	46	39	39	39	39	39	
37		Cross Country	10	13	13	13	13	13	
38		Tennis	8	7	7	7	7	7	
39		Wrestling							
40		Golf							
41		Total Male Participants	208	196	198	198	198	198	
42	Women's Programs:								
43		Basketball	15	16	16	16	16	16	
44		Volleyball	13	15	15	15	15	15	
45		Sand Volleyball							
46		Gymnastics							
47		Swimming and Diving							
48		Skiing							
49		Soccer	24	24	24	24	24	24	
50		Golf	9	5	9	9	9	9	
51		Tennis	10	9	9	9	9	9	
52		Indoor Track	48	48	48	48	48	48	
53		Outdoor Track	48	48	48	48	48	48	
54		Cross Country	20	33	20	20	20	20	
55		Softball	19	19	20	20	20	20	
56		Total Female Participants	206	217	209	209	209	209	
57		Total Participants	414	413	407	407	407	407	
58	SPORTS COSTS								
59	Current Direct Costs of Women's Sports, including financial aid		2,760,542	2,780,104	2,804,218	2,804,218	2,804,218	2,804,218	
60	Direct Costs of New Women's Sports, including financial aid		0	0	0	0	0	0	
61	Total Direct Costs for Women's Sports		2,760,542	2,780,104	2,804,218	2,804,218	2,804,218	2,804,218	
62	Gender Equity Limit		707,700	734,400	780,000	780,000	780,000	780,000	
63	Percentage of Gender Equity Limit to Total Direct Costs for Women's Sports		25.6%	26.4%	27.8%	27.8%	27.8%	27.8%	

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University of Idaho Gender Equity Narrative

The University of Idaho's student-athlete participation numbers closely align with the University's undergraduate enrollment distribution. The 54% male and 46% female athletic participation percentages and the 54% male 46% female undergraduate enrollment percentages allow the University to comply with the Prong One of Title IX's compliance test which states, " Provide participation opportunities for women and men that are substantially proportionate to their respective rates of enrollment as full-time undergraduate students."

As indicated in the attached spreadsheet, the University of Idaho dedicates significant resources toward gender equity compliance. In fact, the SBOE approved gender equity funding only accounts for 23.9% of our FY14 gender equity obligations. It is unlikely that the University of Idaho will add additional women's programs in the near future and will rely on future Title IX compliance through Prong One. To ensure greater female participation we strongly encourage coaches in our nine women's sports; Basketball, Volleyball, Soccer, Swimming, Outdoor Track, Indoor Track, Cross Country, Tennis and Golf to identify and actively recruit walk-ons or non-scholarship athletes. In addition, we have adopted a roster management plan and have capped the number of male participants in male sports.

The University of Idaho annually conducts a gender equity assessment that includes interviews with all head coaches and some student-athletes. The results of these conversations have produced resource reallocation and adjustments to specific sports budgets. Gender equity issues are taken seriously by the Department of Athletics and the University of Idaho.

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**Intercollegiate Athletics - Gender Equity
University of Idaho**

Attachment 6

				Estimates					
				FY13 ACT	FY14 PROJ	FY15	FY16	FY17	FY18
1	TITLE IX COMPLIANCE: Accommodations of Interests & Abilities:								
2	FT Students: NOTE A	Male		4,395	4,260	4,303	4,346	4,389	4,433
3	(undergraduate student body)	Female		3,743	3,667	3,704	3,741	3,778	3,816
4	%:	Male		54.01%	53.74%	53.74%	53.74%	53.74%	53.74%
5		Female		45.99%	46.26%	46.26%	46.26%	46.26%	46.26%
6	Athletic Participants: NOTE B	Male		236	228	228	228	228	228
7	Title IX Definition of Participant	Female		201	207	210	215	216	216
8	%:	Male		54.00%	52.41%	52.05%	51.47%	51.35%	51.35%
9		Female		46.00%	47.59%	47.95%	48.53%	48.65%	48.65%
10	Variance between FT and Athletics: NOTE C			0.00%	-1.33%	-1.69%	-2.27%	-2.39%	-2.39%
11	Number of Sports Teams at Institution by Gender:	Male		7	7	7	7	7	7
12		Female		9	9	9	9	9	9
13	Male Student Athletes Needed: NOTE D			0.01	12.47	15.96	21.77	22.93	22.93
14	Male Squad Size Average: NOTE E			34	33	33	33	33	33
15	Female Student Athletes Needed: NOTE D			-0.01	-10.74	-13.74	-18.74	-19.74	-19.74
16	Female Squad Size Average: NOTE E			22	23	23	24	24	24
17	TITLE IX COMPLIANCE: Athletic Financial Aid								
18	Financial Aid Participants: NOTE F	Male		129	130	130	130	130	130
19	Current (unduplicated)	Female		109	111	113	115	117	117
20	New Sports (unduplicated)	Female		0	0	0	0	0	0
21	Subtotal Female Participants	Female		109	111	113	115	117	117
22	%:	Male		54.20%	53.94%	53.50%	53.06%	52.63%	52.63%
23		Female		45.80%	46.06%	46.50%	46.94%	47.37%	47.37%
24	Athletic Financial Aid Totals: NOTE G	Male		\$ 2,866,662	\$ 2,817,484	\$ 2,885,949	\$ 2,956,077	\$ 3,027,910	\$ 3,101,488
25	Current	Female		\$ 2,066,376	\$ 2,113,589	\$ 2,219,268	\$ 2,330,232	\$ 2,446,743	\$ 2,569,081
26	New Sports	Female		\$ -	\$ -				
27	Subtotal Female	Female		\$ 2,066,376	\$ 2,113,589	\$ 2,219,268	\$ 2,330,232	\$ 2,446,743	\$ 2,569,081
28	%:	Male		58.11%	57.14%	56.53%	55.92%	55.31%	54.69%
29		Female		41.89%	42.86%	43.47%	44.08%	44.69%	45.31%
30	Variance between Financial Aid & Undup Participants: NOTE H			-3.91%	-3.20%	-3.03%	-2.86%	-2.68%	-2.06%
31	PARTICIPANTS BY SPORT:								
32	Men's Programs: NOTE I								
33		Football		111	107	107	107	107	107
34		Basketball		17	14	14	14	14	14
35		Indoor Track		39	35	35	35	35	35
36		Outdoor Track		37	37	37	37	37	37
37		Cross Country		11	12	12	12	12	12
38		Tennis		11	12	12	12	12	12
39		Wrestling							
40		Golf		10	11	11	11	11	11
41		Total Male Participants		236	228	228	228	228	228
42	Women's Programs:								
43		Basketball		16	17	17	18	18	18
44		Volleyball		17	17	17	17	17	17
45		Sand Volleyball							
46		Gymnastics							
47		Swimming and Diving		27	28	29	30	30	30
48		Skiing							
49		Soccer		25	27	28	28	29	29
50		Golf		9	9	9	9	9	9
51		Tennis		9	9	10	10	10	10
52		Indoor Track		44	44	44	45	45	45
53		Outdoor Track		40	41	41	42	42	42
54		Cross Country		14	15	15	16	16	16
55		Softball							
56		Total Female Participants		201	207	210	215	216	216
57		Total Participants		437	435	438	443	444	444
58	SPORTS COSTS								
59	Current Direct Costs of Women's Sports, including financial aid			3,894,173	4,030,469	4,191,688	4,359,355	4,533,730	4,715,079
60	Direct Costs of New Women's Sports, including financial aid								
61	Total Direct Costs for Women's Sports			3,894,173	4,030,469	4,191,688	4,359,355	4,533,730	4,715,079
62	Gender Equity Limit			926,660	961,600	1,021,300	1,021,300	1,021,300	1,021,300
63	Percentage of Gender Equity Limit to Total Direct Costs for Women's Sports			23.8%	23.9%	24.4%	23.4%	22.5%	21.7%

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**Intercollegiate Athletics - Gender Equity
Lewis-Clark State College**

Lewis-Clark State College (LCSC) has, from the beginning of the Gender Equity limit initiative, used out-of-state waivers in order to pursue equity. In the first years of this initiative LCSC set a goal of 50-50. To date, LCSC has not requested funding beyond the waiver limits to attain gender equity goals but reserves the right to do so in the future if necessary.

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**Intercollegiate Athletics - Gender Equity
Lewis-Clark State College**

Attachment 8

			FY13 ACT	FY14 PROJ	FY15	FY16	FY17	FY18
TITLE IX COMPLIANCE: Accommodations of Interests & Abilities:								
	FT Students	Male	821	678	698	719	741	763
	(undergraduate student body)	Female	1,346	1,140	1,174	1,209	1,246	1,283
	%:	Male	37.89%	37.29%	37.29%	37.29%	37.29%	37.29%
		Female	62.11%	62.71%	62.71%	62.71%	62.71%	62.71%
	Athletic Participants	Male	97	106	93	93	93	93
	Title IX Definition of Participant	Female	107	115	102	102	102	102
	%:	Male	47.55%	47.96%	47.69%	47.69%	47.69%	47.69%
		Female	52.45%	52.04%	52.31%	52.31%	52.31%	52.31%
	Variance between FT and Athletics		9.66%	10.67%	10.41%	10.40%	10.40%	10.40%
	Number of Sports Teams at Institution by Gender:	Male	5	5	5	5	5	5
		Female	6	6	6	6	6	6
	Male Student Athletes Needed		-31.73	-37.61	-32.36	-32.34	-32.34	-32.34
	Male Squad Size Average		19	21	19	19	19	19
	Female Student Athletes Needed		52.03	63.23	54.42	54.38	54.38	54.38
	Female Squad Size Average		18	19	17	17	17	17
TITLE IX COMPLIANCE: Athletic Financial Aid								
	Financial Aid Participants	Male	80	96	85	85	85	85
	Current (unduplicated)	Female	72	65	75	75	75	75
	New Sports (unduplicated)	Female	0	0	0	0	0	0
	Subtotal Female Participants	Female	72	65	75	75	75	75
	%:	Male	52.63%	59.63%	53.13%	53.13%	53.13%	53.13%
		Female	47.37%	40.37%	46.88%	46.88%	46.88%	46.88%
	Athletic Financial Aid Totals	Male	\$ 779,457	\$ 846,900	\$ 863,838	\$ 885,434	\$ 907,570	\$ 930,260
	Current	Female	\$ 792,778	\$ 737,790	\$ 752,546	\$ 771,360	\$ 790,644	\$ 810,410
	New Sports	Female	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal Female	Female	\$ 792,778	\$ 737,790	\$ 752,546	\$ 771,360	\$ 790,644	\$ 810,410
	%:	Male	49.58%	53.44%	53.44%	53.44%	53.44%	53.44%
		Female	50.42%	46.56%	46.56%	46.56%	46.56%	46.56%
	Variance between Financial Aid & Undup Participants		3.06%	6.18%	-0.32%	-0.32%	-0.32%	-0.32%
PARTICIPANTS BY SPORT:								
Men's Programs								
	Football							
	Baseball		41	42	40	40	40	40
	Basketball		16	15	15	15	15	15
	Indoor Track							
	Outdoor Track							
	Cross Country		23	25	20	20	20	20
	Tennis		9	16	10	10	10	10
	Wrestling							
	Golf		8	8	8	8	8	8
	Total Male Participants		97	106	93	93	93	93
Women's Programs:								
	Basketball		12	12	12	12	12	12
	Volleyball		16	15	15	15	15	15
	Sand Volleyball							
	Gymnastics							
	Swimming and Diving							
	Skiing							
	Soccer							
	Golf		9	9	10	10	10	10
	Tennis		13	12	10	10	10	10
	Indoor Track		20	32	20	20	20	20
	Outdoor Track		20	19	15	15	15	15
	Cross Country		17	16	20	20	20	20
	Softball							
	Total Female Participants		107	115	102	102	102	102
	Total Participants		204	221	195	195	195	195
SPORTS COSTS								
	Current Direct Costs of Women's Sports, including financial aid		768,987	760,401	771,800	787,200	802,900	819,000
	New Direct Costs of Women's Sports, including financial aid		0	0	0	0	0	0
	Total Direct Costs for Women's Sports		768,987	760,401	771,800	787,200	802,900	819,000
	Gender Equity Limit		0	0	0	0	0	0
	Percentage of Gender Equity Limit to Total Direct Costs for Women's Sports		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

SUBJECT

Discussion of FY 2016 Budget Request Process (Line Items)

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Policy, Section V.B.1.

BACKGROUND/ DISCUSSION

Board-approved budget requests for FY 2016 must be submitted to the executive and legislative branches [Division of Financial Management (DFM) and Legislative Services Office (LSO)] on September 2, 2014. To meet this deadline, the Board has established a process for developing agency and institutional requests. The first step is the establishment of line item request guidelines at the April Board meeting. The institutions then use these guidelines to develop line item requests which are evaluated by the Board at its June meeting. The final budget request including line items and maintenance of current operations items is then approved in August. As indicated, budget requests are developed in two parts as directed by the DFM/LSO Budget Development Manual: maintenance of current operations (MCO) items and line items.

MCO requests are calculated using state budget guidelines and Board policy. The Board's budget request guidelines have historically focused upon the development of line item requests, capital budget requests, special one-time requests (if any), and the timeframe for presenting and approving these requests.

A MCO request includes funding for Change in Employee Compensation (CEC), health insurance cost increases, inflationary increases for operating expenses (including utilities), and central state agency cost areas (Treasurer, Controller, etc.). These items are calculated using rates established by DFM. Other MCO items include replacement capital (i.e. equipment), and external non-discretionary adjustments such as enrollment workload adjustment (EWA) and health education contract adjustments. Although replacement capital is calculated from a capital outlay base, institutions may request for one-time replacement capital in General Funds based on the B-7 Replacement Capital form.

An MCO budget is considered the minimum to maintain operations while line items are funded for new or expanded programs, occupancy costs, and other initiatives deemed important by the Board, institution/agency, Legislature or Governor.

The capital building budget request is a separate process which flows through the Permanent Building Fund Advisory Council with funding provided by the Permanent Building Fund. Agencies and institutions seek funding for major capital projects and major maintenance projects through that process.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

STAFF COMMENTS AND RECOMMENDATIONS

The Presidents Council met on March 10, 2014 to discuss FY 2016 budget priorities. The institutions' Vice Presidents for Finance & Administration and Governmental Affairs Directors also attended and participated in the conversation. The consensus of the group was to recommend the following line item categories for the college and universities:

Systemwide

- Complete College Idaho
- Deferred Maintenance
- Financial Aid (merit and need based)
- One-time funding for philanthropic matching program

Institution-level

- Salary Competitiveness
- Institution-specific Initiatives (up to two)

In addition to salary competitiveness, each institution could submit up to two (2) line item requests at the institutional level. This would provide the Governor and Legislature statewide Board priority initiatives and institution specific line items.

BOARD ACTION

I move to direct the college and universities to use the following categories to develop FY 2016 Line Item budget requests:

Systemwide

1. Complete College Idaho
2. Deferred Maintenance
3. Financial Aid (merit and need based)
4. One-time funding for philanthropic matching program

Institution-level

1. Salary Competitiveness
2. Institution-specific Initiatives (up to two)

Moved by_____ Seconded by_____ Carried Yes_____ No_____

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

BOISE STATE UNIVERSITY

SUBJECT

Six-Year Capital Improvement Plan Amendment

REFERENCE

August 2013

Board approved Six-Year Capital Improvement Plan
for FY 2015 - 2020

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section
V.K.2.c.

BACKGROUND/DISCUSSION

The ongoing evaluation of facility needs and development of Boise State University's (BSU) Capital Improvement Plan have led to the identification of a new project to be included in the Six-Year Capital Improvement Plan. To keep the Board apprised of planning efforts and consistent with V.K.2.c., the University is requesting approval of its amended Six-Year Capital Improvement Plan.

Revisions to the plan include the addition of a new biology greenhouse project (\$1.5 million), moving the Parking Structures costs from FY2015 to FY2016, and moving the Administrative Services building planning costs from FY2019 to FY2015. Changes are highlighted on the attached plan.

IMPACT

University planning staff and independent consultants (as necessary) will complete studies necessary to develop space plans and confirm budget projections to inform required requests for approval from the Board for individual projects as specified in Section V.K. Inclusion of the project in BSU's Plan will allow BSU to seek approval of the project at a future meeting.

ATTACHMENTS

Attachment 1 – Six-Year Capital Improvement Plan Amendment

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

BSU desires to begin fundraising to cover the cost, in whole or in part, of the biology greenhouse project. Board policy provides that "[b]efore any institution or agency under the governance of the Board solicits, accepts or commits a gift or grant in support of a specific major project, such project must first be included on the institution's or agency's Board-approved six-year Plan." As such, BSU is seeking to amend its Six-Year Capital Improvement Plan.

While Board policy does permit an institution to bring an amended Plan to the Board for approval, staff reminds the Board that the institutions' Six-Year Capital

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

Improvement Plan are reviewed and approved annually at the Board's regular August meeting. Since the purpose of the Plan is to assist with long-range planning for major capital projects, Plan amendments should be limited to extraordinary circumstances.

Staff reminds the Board that policy also provides that "[a] Plan shall constitute notice to the Board that an institution or agency may bring a request at a later date for Board approval of one or more of the projects included in its approved Plan. Board approval of a Plan shall not constitute approval of a project included in the Plan."

BOARD ACTION

I move to approve the Six-year Capital Improvement Plan Amendment (FY 2015 – 2020) for Boise State University as presented in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Set C
SIX YEAR CAPITAL IMPROVEMENT PLAN (FY14 Amendment)
FY 2015 THROUGH FY 2020
(\$ in 000's)

ATTACHMENT 1

Institution: Boise State University																				
			FY2015			FY2016			FY2017			FY2018			FY2019			FY2020		
Project Title	Est. Cost	Prev. Fund.	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total
Fine Arts Building	35,000		15,000	20,000	35,000															
Science & Research Building (2nd of 4 building science complex) Design & Construction	60,000		10,000		10,000	25,000	25,000	50,000												
Demo Facilities Vacated by CWI, New Athletic Green Field	2,000			2,000	2,000															
Alumni Center (comprehensive campaign)	12,000			12,000	12,000															
Parking Structures (750 space @ 16,000 X 2)	26,000					12,000		12,000										14,000		14,000
Renovate Liberal Arts (Planning & Design)	900					900		900												
SMITC Interior & Exterior Renovations (Planning & Design)	1,500					1,500		1,500												
New Student Housing (900 beds @\$40,000)	36,000								36,000		36,000									
Athletics/Kinesiology Multi-Use Facility	40,000								5,000		5,000				17,500	17,500	35,000			
Bronco Stadium Expansion and Improvements	28,000												28,000	28,000						
Science & Research Building (3rd of 4 building science complex)	70,600											600		600				35,000	35,000	70,000
Health Sciences Building	30,500														30,500		30,500			
Administrative Services Building(s)	23,000			1,000	1,000				22,000		22,000									
	365,500	0	25,000	15,000	60,000	27,400	37,000	64,400	5,000	58,000	63,000	600	28,000	28,600	48,000	17,500	65,500	35,000	49,000	84,000
Other, not currently scheduled priorities																				
Special Events Center Upgrade	3,000																			
Science Building Improvements for Research	6,000																			
Potential West of Capitol Partnership Development	not defined																			
Biology Greenhouses	1,500																			
Develop Campus Quad Spaces	2,000																			
Construction Management Building	2,500																			
Student Union Food Service Expansion	1,000																			
Engineering & Technology Room 103 & 110	1,500																			
	17,500																			

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BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

UNIVERSITY OF IDAHO

SUBJECT

Capital Project Budget and Finance Plan and Construction Phase Authorization, Integrated Research and Innovation Center.

REFERENCE

June 16, 2005	Board approved initial pre-planning work
April 18, 2012	Institution provided project update
December 13, 2012	Board approved Capital project planning and design

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.B.10, V.K.1, V.K.3.a, and V.K.b.

BACKGROUND/ DISCUSSION

The University of Idaho (UI) is currently in the design process of an effort aimed at constructing an Integrated Research and Innovation Center (previously known as the Science and New Technologies Laboratory) on the Moscow campus. This proposed new building will be sited at a central location in the heart of the campus. This proposed facility will establish modern and capable science spaces supporting interdisciplinary research and provide core visualization and computing labs. The project has been cited as a key priority in our multi-year capital plans and state funding requests since 1999.

The University received a federal grant supporting conceptual planning of the facility in 2005, and subsequently hired NBBJ as the design agent through a competitive qualifications-based selection process. Initial work included a review of current campus research capabilities, and an evaluation of options to build new versus remodel existing science spaces. Site analysis and selection and initial architectural programming work followed. This initial program work and subsequent program iterations yielded a refined and tested vision of a \$49M project providing state of the art new science and research space.

In December of 2012, the University obtained Board of Regents authorization for the planning and design phases of the project. The architectural firm NBBJ was retained for the design process. NBBJ has assembled a highly competent and professional team of sub consultants and design is now well underway. The design team has completed the conceptual design, schematic design, and design development phases of the design process, and is approximately 50% complete with the construction document phase. At this point, the documents envision a three story structure of 70,800 gsf.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

The design and project administration team working together has determined that the project is best delivered in two major phases. The first phase consists of site clearing, site excavation, site utilities, footings and foundations, under floor utilities, first floor slab-on-grade, and the erection of steel framing. This first phase will be funded by a \$5 million contribution to the overall project by the State of Idaho through the Permanent Building Fund (PBF). Given the PBF funding, the initial phase of the project will be delivered and administered by the State of Idaho Division of Public Works (DPW) under the direction and guidance of Tim Mason, Administrator. DPW is currently seeking appropriate authorizations through the policies and processes of the Permanent Building Fund Advisory Council (PBFAC) in parallel to this request action.

Subsequent to the PBF funded, DPW administered phase of the project, the University will take over and administer a second phase that will complete the build-out of the project. A coordinated milestone schedule for this transfer of project administrative responsibilities is being developed in cooperation between DPW, the University and the design team. While an exact date is yet to be determined, it is generally assumed that this handoff will occur approximately late 2014/early 2015. The UI administered phase of the project will be funded through bond proceeds developed by the University of Idaho.

A rough timeline for the anticipated design and construction process, to include future board authorizations, follows:

Dec 2012	Regents authorized planning and design phase, and The design process was initiated
Apr 2014	Seek authorization for project construction
Jun 2014	Seek authorization for issuance of construction bonds
Jul 2014	Begin construction of the PBF funded, DPW administered phase of the project—24 months construction overall, to include building commissioning and move in
Fall 2016	Building operational

The project is expected to be funded through a combination of Permanent Building Funds allocated for this purpose and agency funding.

In the December, 2012 authorization request for the planning and design phases, the University indicated that the planning and design phase expenditures of \$3.6 million would be funded through the use of existing cash reserves. Further, the University indicated that those cash reserves would be restored and replenished through the proposed construction phase bond sale anticipated to occur following indebtedness authorization in June, 2014. The funding summary below and as detailed in the Capital Project Tracking Sheet reflects this intent.

This project directly supports the University's strategic plan and its education, research, and outreach goals and is fully consistent with the University's Long

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

Range Campus Development Plan (LRCDP), and the Campus Infrastructure Master Plan.

IMPACT

The Planning, Design and Construction Phase is anticipated to be \$49,000,000. It is the intent of the University to return to the Board of Regents in June, 2014 to seek the appropriate indebtedness authorization related to the bond proceeds as a component of the funding mix.

The overall project impact, to include the pre-planning expenditures, planning and design phases, and assuming this construction phase is authorized, is \$49,938,600.

Prior Authorized Expenditures (Pre-Planning/Pre-Design)

(As reported in April, 2012)

Funding	\$938,600	Expenditures	\$936,427
----------------	-----------	---------------------	-----------

Anticipated Project (Planning, Design and Construction)

Funding		Estimate Budget	
State (FY14 & 15)	\$ 5,000,000	Construction	\$ 38,018,800
Federal (Grant)	\$ 0	A/E & Consultant Fees	\$ 3,736,500
Other (UI/Bond)	\$ 44,000,000	Fixtures, Furn., & Equip.	\$ 1,365,000
Private	\$ 0	Commissioning	\$ 125,000
Total	\$ 49,000,000	Testing and Surveys	\$ 280,000
		Plan Check & Fees	\$ 105,000
		Institutional Support	\$ 41,000
		Contingency	\$ 5,328,700
		Total	\$ 49,000,000

ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

This proposed facility is the University's top priority on its FY 2015 PBF request and Six Year Capital Improvement Plan.

Pursuant to Board Policy, "a facility or project specifically identified by name and approved by the Legislature and the Governor in the capital projects category of the Permanent Building Fund appropriation bill satisfies the notice requirement for purposes of requesting occupancy costs." This facility received line item funding in the FY 2014 and FY 2015 PBF appropriation.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 17, 2014

BOARD ACTION

I move to approve the request by the University of Idaho to implement the construction phase for the Integrated Research & Innovations Center, pursuant to the budget set forth in Attachment 1. Approval includes the authority to execute all necessary consultant, vendor, and construction contracts to fully implement construction of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
Apr-14

History Narrative

- 1 Institution/Agency:** University of Idaho **Project:** Integrated Research and Innovation Center (formerly referred to as the Science and New Technologies Lab in the cited Original Authorization)
- 2 Project Description:** This proposed facility will establish modern and capable science spaces supporting interdisciplinary research and provide core visualization and computing labs. The project has been cited as a key priority in our multi-year capital plans and state funding requests since 1999.
- 3 Project Use:** The facility will be designed to foster interdisciplinary research collaboration and interaction and will include flexible systems and support infrastructure, allowing reconfiguration of spaces supporting changes in programs and research needs over time.
- 4 Project Size:** Approximately 70,800 gross square feet. The Design and Construction phase of the project is currently estimated at \$49M. Overall project cost to include the pre-Planning/Pre-design Phase expenditures is currently estimated at \$49.9M.*

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds Const	Other **	Total Uses*
Initial Cost of Project			\$ 892,800	\$ 892,800	\$ 892,800			\$ 892,800
History of Revisions: Report of Actual Preliminary Planning and Programming Expenditures, Apr 12			\$ 43,627	\$ 43,627	\$ 43,627			\$ 43,627
SUBTOTAL, PreDesign and Feasibility Phase:	\$ -	\$ -	\$ 936,427	\$ 936,427	\$ 936,427	\$ -	\$ -	\$ 936,427
Project Design through Construction Documents, Dec 12			\$ 3,600,000	\$ 3,600,000	\$ 3,600,000			\$ 3,600,000
Revised Cost Estimate. Capital Project Budget and Finance Plan and Construction Phase Authorization	\$ 5,000,000		\$ 40,400,000	\$ 45,400,000	\$ 136,500	\$ 38,018,800	\$ 7,244,700	\$ 45,400,000
SUBTOTAL, Planning, Design and Construction Phases:	\$ 5,000,000	\$ -	\$ 44,000,000	\$ 49,000,000	\$ 3,736,500	\$ 38,018,800	\$ 7,244,700	\$ 49,000,000
Total Project Costs	\$ 5,000,000	\$ -	\$ 44,936,427	\$ 49,936,427	\$ 4,672,927	\$ 38,018,800	\$ 7,244,700	\$ 49,936,427

	Other Sources of Funds-----						
	PBF	ISBA	Institutional Funds (Gifts/Grants)	Student Revenue	Other	Total Other	Total Funding
History of Funding:							
Original Authorization, Jun 05					\$ 892,800	\$ 892,800	\$ 892,800
Additional Auth within Delegated Limits, Jul 10					30,000	\$ 30,000	\$ 30,000
Additional Auth within Delegated Limits, Dec 11					15,800	\$ 15,800	\$ 15,800
SUBTOTAL, PreDesign and Feasibility Phase:	\$ -	\$ -	\$ -	\$ -	\$ 938,600	\$ 938,600	\$ 938,600
Regents Authorization, Planning and Design, Dec 12					3,600,000	\$ 3,600,000	\$ 3,600,000
Capital Project Budget and Finance Plan and Construction Phase Authorization, Apr 14	\$ 5,000,000				40,400,000	\$ 40,400,000	\$ 45,400,000
SUBTOTAL, Planning, Design and Construction Phases:	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 44,000,000	\$ 44,000,000	\$ 49,000,000
Total	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 44,938,600	\$ 44,938,600	\$ 49,938,600

* Estimate based on planning and design phase cost estimates. UI will report back to the Board of Regents for the requisite indebtedness authorization.

** Advertisement Costs, Plan Check Fees, Surveys, Commissioning, Material Testing During Construction, and Construction & Project Contingency

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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UNIVERSITY OF IDAHO

SUBJECT

Capital Project Budget and Finance Plan and Construction Phase Authorization,
College of Education Building, Renovation and Improvements

REFERENCE

May 15, 2013	Information Item Presented to the Board
June 20, 2013	Board approved Planning and Design Phases, Resolution for Expenditure of Project Funds and Reimbursement from Future Bond

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedure, Section V.K.1,
Section V.K.3.b, and Section V.K.3.c.
House Bill 635 (2014)

BACKGROUND/DISCUSSION

This agenda item is an Authorization Request to allow the University of Idaho (UI) to proceed with the construction phase of a complete renovation of the College of Education Building.

This effort is modeled after the successful asbestos remediation and whole building renovation of the former University Classroom Center (UCC), now the Teaching and Learning Center (TLC), completed at the University of Idaho in 2005. The UCC presented the very same issues associated with steel framing covered by ACM fire-proofing in an otherwise sound structure that was equipped with a non-compliant, non-ducted open plenum return HVAC system. Just as with the College of Education Building, the conclusion in the case of the UCC was that a whole-building renovation approach provided the best and most efficient solution for the University and the State. The UCC-to-TLC renovation and improvement was completed in 2005 to great success.

When complete, the project will result in the complete revitalization and renewal of the existing structure with the intent of providing a safe, clean, efficient, sustainable, aesthetic, technology capable, flexible environment in which the College of Education can deliver programs and pedagogies designed to support current, technologically-supported, educational content to the students of the College and future educational professionals on behalf of the citizens of the State of Idaho.

The University desires to proceed with the project led and administered by the State Division of Public Works. Funding is envisioned to be a combination of State Permanent Building Funds (PBF) as well as bond funds procured by the University of Idaho, and donated gifts.

Planning and Design Phases Summary

Since obtaining Planning and Design Phases Authorization, the university has worked in collaboration with the State of Idaho Division of Public Works (DPW) to drive the project forward.

DPW issued a Request for Qualifications (RFQ) to identify a suitable Architectural Design Consultant. Miller Hull Architects of Seattle, Washington, was selected by DPW to lead the design of the project. In accordance with protocol for DPW administered projects, the selection of Miller Hull was confirmed in the September, 2013 meeting of the Permanent Building Fund Advisory Council (PBFAC).

An initial program verification phase in late fall of 2013 confirmed the general scope of the project is to:

- abate and remove all of the Asbestos Containing Materials (ACM) and ACM contaminated systems in the building;
- create a weather-tight shell by correcting the current issues with the existing roof and the failed curtain wall/fiberglass composite panel exterior skin;
- address the HVAC issues and install a code complaint, ducted return HVAC system;
- increase building energy consumption/use efficiency by installing modern, digital HVAC controls, eliminating air infiltration through gaps in the current skin, increasing U values at the curtain wall skin;
- update, refresh, and modernize finishes and system in the building to current standards;
- improve efficiencies in the use of space within the building;
- leverage investment in the structure and provide value to the project by retaining those systems that are sound, solid, and in good condition, and which can be retained and reused such as foundations, structure, and the clay brick masonry skin;
- provide the needed and necessary programmatic renovations and improvements necessary and critical to the on-going success of the College of Education;
- reflect in the physical manifestation of the built environment the continuing commitment of the University and the College of Education to the training and development of educational professionals in the State of Idaho.

The design phase is now well underway. The design and project administration team working together has determined that the project is best delivered in two major phases. The first phase consists of abatement of hazardous materials and demolition and the second phase will consist of the renovation and restoration of the College of Education Building.

The abatement and demolition phase is estimated to have a performance period of 8 to 9 months given the character and the amount of contaminated materials

BUSINESS AFFAIRS AND HUMAN RESOURCES
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and systems present in the existing building. Schedule constraints drive the need to begin the abatement and demolition phase during the summer of 2014. Design work on the renovation and restoration phase will continue in parallel with the implementation of the hazardous materials and demolition phase. The Division of Public Works is seeking appropriate authorizations through the policies and processes of the PBFAC in parallel to this request action.

Project Delivery Schedule Summary

In general, the overall milestones anticipate that the building is off-line for renovation and unoccupied beginning mid-summer of 2014 through summer of 2016. The goal is that the renovated and improved College of Education Building will be fully functional and operational for the Fall Semester, 2016.

Authorization Request

This request is for Capital Project Construction Authorization to implement a project which provides for asbestos remediation and whole building renovation, improvements and restoration of the College of Education Building, University of Idaho, Moscow, Idaho.

Funding for this project will include PBF A&R category funds, the \$3.75 million in additional PBF A&R category funds received from the State of Idaho appropriations received for FY14, an additional \$2M PBF allocation for FY15, bond proceeds procured by the University of Idaho, and gifted funds raised by the University of Idaho and the College of Education for this purpose.

The project will be delivered and administered by the State of Idaho Division of Public Works under the direction and guidance of Tim Mason, Administrator.

The project is consistent with the strategic goals and objectives of the College of Education. The project is fully consistent with the University's strategic plan, specifically, Goal One, Teaching and Learning Activity, Goal 3, Outreach and Engagement and Goal Four, Community and Culture, and the University's Long Range Capital Development Plan (LRCDP).

IMPACT

The immediate fiscal impact of this effort is to fund the abatement, demolition and phase costs of the project. The total budget for this project effort is currently set at \$17,160,000, to include design and construction costs and appropriate and precautionary contingency allowances. This is an increase over the amount indicated in the initial Planning and Design Phases Authorization and is the result of successful fund raising efforts spearheaded by the Dean of the College of Education. This additional amount will be used to secure the full scope of the project and to ensure the desired level of fit and finish.

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It is the intent of the university to return to the Board of Regents in June, 2014 to seek the appropriate indebtedness authorization related to the bond proceeds as a component of the funding mix.

Overall Project

Funding

State	
FY 13 A&R	\$ 192,600
FY 14 A&R	\$ 1,004,900
FY 14 Appr.	\$ 3,750,000
FY 15 Appr.	\$ 2,000,000
Other	
UI Bond Funds	\$ 7,552,500
UI Gift Funds	\$ 2,660,000
Total	\$ 17,160,000

Estimate Budget

HazMat & Demo Phase	\$ 2,000,000
Construction Phase	\$ 12,300,000
A/E, IH & Consultant Fees	\$ 2,050,000
Commissioning	\$ 77,000
Testing and Surveys	\$ 72,000
Plan Check & Fees	\$ 15,774
Contingency	\$ 645,226
Total	\$ 17,160,000

ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

Page 7

STAFF COMMENTS AND RECOMMENDATIONS

The College of Education building is already vacated. Occupants were relocated to several sites on campus. As such, the University does not have any ongoing leases costs associated with swing space during the remodel of this facility.

If the building renovation results in increased “eligible space” as defined in Board policy V.b.10.a.ii., the University could request occupancy costs for that space. Board policy provides that “a facility or project specifically identified by name and approved by the Legislature and the Governor in the capital projects category of the Permanent Building Fund appropriation bill satisfies the notice requirement for purposes of requesting occupancy costs.” Since the “Education Building at the University of Idaho” is a named project in H635 (2014), staff believes the notification requirement for future occupancy costs is met, but will confirm with Legislative and Governor’s staff.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to implement the construction phase for the College of Education Building Asbestos Remediation and Whole Building Renovation and Improvements pursuant to the Estimated Budget set forth in the materials submitted to the Board.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of April, 2014

History Narrative

- 1 Institution/Agency:** University of Idaho **Project:** Capital Project Budget and Finance Plan and Construction Phase Authorization, College of Education Building, Renovation and Improvements, University of Idaho, Moscow, Idaho.
- 2 Project Description:** A Capital Project which provides for asbestos remediation and whole building renovation, improvements and restoration of the College of Education Building, University of Idaho, Moscow, Idaho
- 3 Project Use:** This project effort that will provide for asbestos remediation and whole building renovation and improvements within the College of Education Building, University of Idaho, Moscow, Idaho. This project effort is modeled after the successful asbestos remediation and whole building renovation of the former University Classroom Center (UCC), now the Teaching and Learning Center (TLC) completed at the University of Idaho in 2005. The UCC presented the very same issues associated with steel framing covered by ACM fire-proofing in and otherwise sound structure that was equipped with a non-compliant, non-ducted open plenum return HVAC system.
- 4 Project Size:** 62,700 GSF

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds Const	Other**	Total Uses
Initial Cost of Project. Planning and Design Phase Only	\$ 4,947,500	\$ -	\$ 400,000	\$ 5,347,500	\$ 1,407,200	\$ -	\$ 140,700	\$ 1,547,900
History of Revisions: Revised Cost Estimate. Capital Project Budget and Finance Plan and Construction Phase Authorization	\$ 2,000,000	\$ -	\$ 9,812,500	\$ 11,812,500	\$ 642,800	\$ 14,300,000	\$ 669,300	\$ 15,612,100
Total Project Costs	\$ 6,947,500	\$ -	\$ 10,212,500	\$ 17,160,000	\$ 2,050,000	\$ 14,300,000	\$ 810,000	\$ 17,160,000

History of Funding:	* Other Sources of Funds						
	PBF	ISBA	Institutional Funds (Gifts/Grants)	Student Revenue	Other*	Total Other	Total Funding
Initial Authorization Request, Planning and Design Phase Only, June 2013	\$ 4,947,500				\$ 400,000	\$ 400,000	\$ 5,347,500
Capital Project Budget and Finance Plan and Construction Phase Authorization, April 2014	\$ 2,000,000		\$ 2,660,000		\$ 7,152,500	\$ 9,812,500	\$ 11,812,500
Total	\$ 6,947,500	\$ -	\$ 2,660,000	\$ -	\$ 7,552,500	\$ 10,212,500	\$ 17,160,000

* Bond Proceeds. Includes repayment of Internal Strategic Reserves Committed to the project during the planning and design phases.

** Advertisement Costs, Plan Check Fees, Surveys, Commissioning, Material Testing During Construction, and Construction & Project Contingency

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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IDAHO STATE UNIVERSITY

SUBJECT

Approval to sell undeveloped property located just off of East Terry Street in Pocatello, Idaho

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.I.1 and V.I.5.

Idaho Code §33-107

Idaho Code §58-331, 335

BACKGROUND/DISCUSSION

The subject property; which is located immediately south of Franklin Middle School, 2271 East Terry Street, Pocatello, Idaho 83201; consists of 2 contiguous parcels of undeveloped property. Parcel #1 (ID# RPCPP087105) consists of 8.68 acres and lies immediately south of and adjoins the Franklin Middle School property. Parcel #2 (ID# RPCPP108806,) consisting of 4.20 acres, lies immediately south and adjoins the first parcel. Together, the two parcels comprise 12.88 acres and were appraised for \$135,500 in February 2014, as described (including legal descriptions) in the attached report (Attachment 1.) Hereinafter, the combined parcels are referred to as the "Subject Property."

Pocatello School District 25 initially approached Idaho State University (ISU) with a request to purchase parcel #1 in 2009, with the plan to eventually construct an elementary school adjacent to the existing middle school. Shortly thereafter the District placed the land purchase on hold due to budget constraints. The District renewed its request to purchase parcel #1, as well as parcel #2, early in 2014.

The Subject Property is bounded in such a way that potential uses other than as a school adjacent to the middle school are limited, even to ISU (see images in Restricted Use Appraisal Report Attachment 1.) It does not face an existing street and, other than through the middle school property, is only accessible via a narrow parcel of property owned by ISU. It is bounded on the west by interstate 15, on the south by a narrow triangular parcel of land owned by ISU, and on the north by the Franklin Middle School. Directly to the east are an additional undeveloped parcel and two partially developed parcels, both owned by ISU. There is a steep vertical rise in elevation within these three parcels, sloping up to flatter terrain along Alvin Ricken Drive. The Veterans Service Division and the Southeastern District Health facility are housed on two of these three parcels and face Alvin Ricken Drive, with the rear facing down the slope to the Subject Property.

ISU has sufficient land on the flat terrain adjacent to our existing facilities, as well

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as across Alvin Ricken Drive to accommodate future expansion needs.

Because an appraisal was completed in 2009 when the District first approached ISU about the property, the appraisal conducted in February 2014 is a Restricted Use Appraisal Report that leverages upon and references the appraisal conducted in 2009, and adds parcel #2 to the assessment. Accordingly, both appraisals are attached (Attachments 1 and 2.)

School District 25 and ISU have agreed on a selling price at the appraised value of \$135,500, as indicated in the attached appraisal. The District has approached their Board about this purchase and have received a favorable response. Ultimately, the purchase will have to be approved by their Board.

IMPACT

It is the considered opinion of the University that the natural and man-made boundaries surrounding the Subject Property make it highly improbable the land will be of any relevant benefit to the University in satisfying its core missions, but is very suitable for an elementary school adjacent to the middle school. The Subject Property does not contribute to the primary mission or programs of the University and it makes financial sense to sell the property. Of equal importance, making the property available to School District 25 to purchase will enhance and improve K-12 education in the Pocatello area, which the University strongly supports.

ATTACHMENTS

Attachment 1 – February 2014, Restricted Use Appraisal Report	Page 5
Attachment 2 – April 2009, Appraisal Report	Page 21
Attachment 3 – March 2014 Letter from School District 25	Page 59

STAFF COMMENTS AND RECOMMENDATIONS

The State Board of Education has statutory authority to acquire or dispose of real estate pursuant to section 33-107, Idaho Code. However, section 58-331, Idaho Code requires that surplus real property owned by state agencies is to be transferred to the Land Board of Land Commissioners (“Land Board”) and then disposed of by the Land Board. In consultation with Land Board staff, ISU counsel has determined that the Subject Property does not constitute “surplus real property” as that term is used in Code, and therefore the Board has its own organic authority to dispose of the Subject Property.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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BOARD ACTION

I move to approve the request by Idaho State University to sell the Subject Property located just off Terry Street in Pocatello, Idaho for \$135,500, and to authorize ISU's Vice President for Finance and Administration to sign all necessary documents to complete the sale on behalf of the State Board of Education in its capacity as the Board of Trustees for the University.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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RESTRICTED USE APPRAISAL REPORT

USPAP 2012-2013

Under USPAP Standards Rule -2(c), this is a Restricted Use Appraisal Report, and is intended only for the sole use of the named client. There are no other intended users. The client must clearly understand that the appraiser's opinions and conclusions may not be understood properly without additional information in the appraiser's work file, *and the attached copy of Appraisal Report of the Subject Property for Idaho State University, dated April 1, 2009.*

This report is a **REVISED** UPDATE of a prior appraisal assignment of the Subject Property completed for the Client by the undersigned appraiser with Date of Value of April 1, 2009. The Client and Users of this report requested a current value of the Subject Property that was valued nearly five years before the effective date of the following opinion of value.

The Client and the Proposed Buyer have requested the inclusion of a second parcel of land directly south of and contiguous with the south boundary of the original subject property. The effect of this assembly of two separately described parcels resulted in a Revised Subject Property of 12.88 acres; 8.68 acres plus 4.20 acres, more or less.

CLIENT:

Idaho State University
Campus Stop 8219
Pocatello, ID 83209-8219

Attention: Roger H. Egan, CPA
Director, Treasury, Tax, Investments, Policy, & Real Estate
Phone: (208) 282-2512
Email: eganroge@isu.edu

PROPOSED BUYER:

School District No. 25
3115 Poleline Road
Pocatello, ID 83201

APPRAISER:

Paul R. Smith
Certification No.: CGA-110

INTENDED USE:

The use of this report is Limited and Restricted to assisting the Client in making a financial decision. This appraisal is intended to assist the Client, Idaho State University, in determining a reasonable market value for possible sale of the subject property to another public entity.

INTENDED USERS:

The intended Users of this report are the Client, Idaho State University, and its duly appointed representatives. No other users are authorized nor anticipated. No other use of this report is approved nor anticipated without appraisers consent.

INTEREST APPRAISED:

The property was appraised as if free and clear of all encumbrances. The FEE simple estate was valued.

The Fee Simple Estate is the Absolute Ownership of property, real or personal, unencumbered by any other interest or estate, subject only to the four powers of government. The subject appeared to have some encumbrances, the effect of which are discussed in the incorporated report.

EFFECTIVE DATE OF VALUE: December 31, 2013

DATE OF REPORT: January 14, 2014*
Resubmitted: February 3, 2014
Revised: February 20, 2014

* Additional vacant land sales data became available after the original submission of this Update of the 2009 appraisal. Additional analysis was necessary and a small upward adjustment of the opinion of the market value of the Subject Property was concluded.

REAL ESTATE INVOLVED:

An 8.68 acre parcel land in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Tax 55, Section 25, Township 6 South, Range 34 East, Boise Meridian, and a 4.20 acre parcel of land in the E $\frac{1}{2}$ NE $\frac{1}{4}$ Tax 270 of Section 36, Township 6 South, Range 34 East, Boise Meridian, all in Pocatello, Bannock County, Idaho.

REAL ESTATE INVOLVED: (continued)

Please see attached Appraisal Report, dated April 1, 2009 for detailed **Location Description** and **Legal description** of the original 8.68 acre parcel. A complete metes and bounds description of the 4.20 acre parcel was not available, the map in the attached Map exhibits accurately depicts the location and relative size of the additional parcel.

For the purpose of this revised, updated appraisal, the two parcels will be identified by the Bannock County Assessor's file information and referred to as Original Subject **Parcel 1** and Additional Site **Parcel 2**.

	<u>Parcel 1</u>	<u>Parcel 2</u>
Parcel Number	RPCPP087105	RPCPP108806:
Owner:	Idaho State College	Idaho State Board of Education
Legal Description:	Tr SE $\frac{1}{4}$ SE $\frac{1}{4}$ Tax 55 S25-T6S-R34E	Tr E $\frac{1}{2}$ NE $\frac{1}{4}$ Tax 270 S 36-T6S-R34E
Land Size:	8.68 Acres	4.20 Acres
Valuation and Taxes:	Not Assessable	Not Assessable

We caution users of this report that we are not experts in rendering legal descriptions or in regarding issues of this property's title. The legal description cited in the April 1, 2009 report was from a copy of the deed to the subject Parcel 1 obtained from the official records of the Bannock County Recorder's Office and provided to us by the Client. We caution that appropriate legal council be retained in all matters regarding this property's legal description and issues of title.

REAL PROPERTY INTEREST APPRAISED:

The Fee Simple Estate was valued. The Dictionary of Real Estate Appraisal, Second Addition, defines Fee Simple Estate as the absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

EFFECTIVE DATE OF VALUE:

Inspection Date: I did not physically visit nor inspect the subject property for this UPDATE assignment. I relied upon my personal data files, public records, and my experience with other appraisal assignments in the near neighborhood to form the opinion that there were no known nor readily discovered conditions or physical changes to the subject property that would have a significant influence in my final value opinion.

Effective Date: December 31, 2013

TYPE OF APPRAISAL and REPORT:

An appraisal of the commercial/residential property identified as ISU property south of Franklin Middle School, 2271 East Terry Street, Pocatello, Idaho 83201, was requested. The most efficient and cost effective means of completing this assignment was to Update my previous appraisal of that property. My Appraisal Report, effective April 1, 2009 and signed on May 12, 2009 is hereby incorporated by attachment to this Restricted Use Appraisal Report to provide information and details necessary to understand my analysis, opinions and conclusions.

In a Restricted Use Appraisal Report it is assumed that the Client has sufficient knowledge of the Subject Property, local market conditions and availability of similar properties, both sold and listed for sale, to use the specific content of the appraisal report to make the necessary financial decisions regarding the Subject Property. The Sales Comparison Approach or Market Approach was the means of determining my opinion of the present and past value of the Subject Property. The client must clearly understand that the appraiser's opinions and conclusions may not be understood properly without additional information in the appraiser's work file. In addition to my appraisal of the subject property dated April 1, 2009, the work file includes, but is not limited to, photographs, summaries, maps, sketches, comparable data, assessor records, spreadsheets, and field notes.

USE AS OF DATE OF VALUE:

The subject property was vacant and not occupied. It was undeveloped ground.

DETERMINATIONS AND CONCLUSIONS:**Sales Comparison Approach:**

The market activity during the past five years for properties that were directly comparable with the subject property was very slow and erratic. There were few total sales and none that were directly comparable with the subject. I have cited six recent sales that were generally comparable. They bracketed the gross site area of the subject and were supportive of a reasonable opinion of the unit value of the subject property within the upper half of the general market value range.

Analysis of the sales is summarized and exhibited on pages 9 through 16 of this report.

CONCLUDED UNIT VALUE AND OPINION OF MARKET VALUE:

There was insufficient available data from which to obtain quantifiable time adjustments, so none were made. It was reasonable to assume that the unit value of the subject property would not be less than it was in my opinion as concluded in the attached appraisal. An assumption of a final opinion of value in the upper half of the range indicated in my analysis was reasonable. Support for this assumption is a recent history of sales and resales of hillside and ridge top vacant sites in an ongoing commercial development about one mile north of the subject parcels. Three to twelve acre sites have indicated a modest upward trend in the unit values during the past 4 to 5 years.

It is my opinion that the Unit Value of \$10,500 per acre and a final present value of \$135,500 for the assembled 12.88 acre parcel described in this Revised Update of my 2009 appraisal was reasonable and supported by the available market sales data.

CONCLUDED VALUE:

It is my opinion that the Market Value of the Subject Property, as of December 31, 2013, was

One Hundred Thirty Five thousand, Five Hundred and No/100 (\$135,500.00) Dollars.

Respectively submitted,



Paul R. Smith, CGA-110
Certified General Appraiser
License Expires: April 22, 2014

Date of Report: January 14, 2014
Resubmitted: February 3, 2014
Revised: February 20, 2014

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS:

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS: (continued)

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.

— An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS: (continued)

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Under USPAP Standards Rule 2-2(c), this is a Restricted Use Appraisal Report, and is intended only for the sole use of the named client. There are no other intended users. The client must clearly understand that the appraiser's opinions and conclusions may not be understood properly without additional information in the appraiser's work file.

In developing this appraisal, the appraiser has incorporated only the Sales Comparison Approach. The appraiser has excluded the Cost and Income Approaches to Value, due to being inapplicable given the limited scope of the appraisal. The appraiser has determined that this appraisal process is not so limited that the results of the assignment are no longer credible, and the client agrees that the limited scope of analysis is appropriate given the intended use.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

The Results of this Assignment may be affected by their use or any significant change in the facts or the assumptions. I reserve the right to revise my opinion and conclusions should there be material changes in conditions and facts relating to the subject property or the cited comparable sales.



January 14, 2014

Resubmitted: February 3, 2014

Revised: February 20, 2014

Paul R. Smith, CGA-110

Certified General Appraiser

License Expires: April 22, 2014

SUMMARY OF ANALYSIS AND CONCLUSIONS:

The general real estate market in the Greater Pocatello Metropolitan Area has been very erratic during the past ten years. There were sharp value appreciations in most segments of the market until the year 2008. Pocatello experienced sharp depreciation in real property value later than most areas of the nation. The overall average single family dwelling lost about 20% of its value before the market began to stabilize and resume typical annual appreciation of 3 to 4 percent.

The market for small parcels of vacant and undeveloped land suitable for small commercial development or large lot single family dwellings slowed and selling prices varied widely. The Greater Pocatello Association of Realtors, Multiple Listing Service reports from April 2009 through January 2014 that just 32 parcels of land, similar to the subject, and ranging from 4 acres to 15 acres in size were sold. All but two of these were considered to be residential properties. The sales indicated unit values that ranged from \$1,000 to \$55,000 per acre. After eliminating the extremes of the small sample, the overall average unit value was \$10,500 per acre and an adjusted range of \$3,600 to \$17,400, and a most probable unit value for the subject property of \$10,000 to \$12,000 per acre.

I have analyzed the scarce available data from Pocatello and surrounding urban areas and concluded that there was insufficient available sales data from which to support any great net changes in vacant land values over the past five years. Six sales that are very generally similar to the subject and bracket the size of the subject are cited below. The direct comparison with the subject resulted in a reasonable unit value for the subject property.

Description of Comparable Sales:

Sale No. 1 - Dekay Rd: Located 6.9 miles north and west of I-15, private well and septic system, electric power and natural gas to site, frontage on dedicated road, average access, 7.30 acres, generally flat, zoned Light Industrial (LI), light industrial uses. Sold 2009, \$100,000 cash.

Sale No. 2 - Dekay Rd: Located 6.9 miles north and west of I-15, private well and septic system, electric power and natural gas to site, frontage on dedicated road, average access, 7.30 acres, generally flat, zoned Light Industrial (LI), light industrial uses. Sold 2011, \$50,000 Conventional financing.

Sale No. 3 - 100 Cheyenne: Located 2.6 miles south and west of I-15, private well and septic, electric power and natural gas available, minimal frontage on dedicated road, average access, 6.69 acres, gentle slope up from road, very irregular shape, zoned Multiple Use as county property surrounded by city limits. Sold 2011, \$95,000 seller financing.

SUMMARY OF ANALYSIS AND CONCLUSIONS: (continued)

Sale No. 4 - Braxton Dr: Located 5.1 miles south southwest and out of city limit. Private well and septic system, electric power. Frontage on dedicated road, but difficult bad weather access; 4.28 acres, rolling slope up from the road, zoned Residential Suburban, primary residence uses. This property was in a platted residential development in a preferred rural residential areas of the city. Sold 2012, \$95,500 cash.

Sale No. 5 - 8855 W Trayis Ridge: Located 2.2 miles northeast. Private well and sewer system, electric power and natural gas to site, frontage on dedicated road, average access, 9.65 acres, gentle rolling slope up from primary county road, zoned Residential Suburban, primary residence uses. This property was in platted residential development in a more recently developed residential area of the city. Sold 2013, \$61,000 cash.

Sale No. 6 - E Chubbuck Rd at its intersection with Bench Road: Located in Bannock County just north of the Bannock County Fairgrounds complex and adjacent to Residential Commercial Professional zoning in the city of Pocatello at its easterly boundary. All public utilities were available, but not connected to the site. It was 78.16 acres, gentle rolling topography and a rectangular shape. It was much larger than the subject and had dual frontage along Chubbuck Rd to the north and Bench Rd to the east. It sold for \$1,200,000 cash in 2013 and was the site of the proposed Portneuf Wellness Complex.

Vacant Land Sales:

Land Sales							
Sale	Date	Location	Zone	Utilities	Price-\$	AreaAc	\$/Ac
S	01/14	Subject	U/RCP	P	TBD	12.88	
S-1	03/09	Dekay Rd	CG	G-P	100,000	7.30	\$13,699
S-2	11/11	Dekay Rd	CG	G-P	50,000	7.30	\$6,849
S-3	10/11	100 Cheyenne	MU	P	95,000	6.69	\$14,200
S-4	05/12	Braxton Dr	RS	P	95,500	4.28	\$22,313
S-5	06/13	8855 Trayis Ridge	RS	G-P	61,000	9.65	\$6,321
S-6	10/13	E Chubbuck Rd	RCP	G-P-W-S	1,200,000	78.16	\$15,353
Unadjusted Indicated Mean Unit Value \$/Ac-SF							\$13,123
Standard Deviation Unit Value \$/Ac-SF							\$5,942
Unadjusted Indicated Range of Unit Value						\$7,180	\$19,065

SUMMARY OF ANALYSIS AND CONCLUSIONS: (continued)

Zoning Districts:

U - University
RCP - Residential/Commercial/Professional
CG - Commercial General
RS - Residential Suburban
RMS - Residential Medium Density Single-Family
RR - Rural Residential

Utilities:

G - Natural Gas
P - Electric Power
W - City Water
S - Public Sewer

Sales Comparison Adjustment Chart (Vacant/Under-Improved Property):

	Rate	Time	Time	Other Feature Adjustment					
	Per	Adjust-	Adjusted	Location	Frontage	Size	Zoning	Total	Final
No.	SF	ment	Rate	Utilities	Access	Topo	Other	Adjustmnt	Rate
S-1	\$13,699	0	13,699	-685	-1,370	-4,288	1,370	-4,973	\$8,726
S-2	\$6,849	0	6,849	-342	-685	-2,144	-685	-3,856	\$2,993
S-3	\$14,200	0	14,200	710	-710	-3,110	0	-3,110	\$11,090
S-4	\$22,313	0	22,313	1,116	0	-8,211	-223	-7,319	\$14,994
S-5	\$6,321	0	6,321	316	316	-752	0	-120	\$6,201
S-6	\$15,353	0	15,353	-2,303	-1,535	1,766	0	-2,073	\$13,280
Indicated Mean Unit Value \$/Acre									\$9,548
Standard Deviation ±\$/Acre									\$4,490
Indicated Range of Unit Value \$/Acre							\$5,057	\$14,038	
Most Probable Unit Value									\$10,500
Summary of Land Value:				12.88	Acre @	\$10,500			\$135,240
ROUNDED TO									\$135,500

Time adjustment assumptions:

The random pattern of prices and indicated unit values for vacant land sales in the Pocatello/Chubbuck market over the past 5 to 10 years do not support a realistic time adjustment. Sales No. 1 and 2 were in the same small light industrial complex and two years apart in time. They were very similar in amenities and indicated a 50% loss in value. More recent sales, particularly in the Tuscany Hills developments of commercial sites appear to support a modest unit value increase from the year 2003 to 2010 and a general price consolidation for the next three years.

SUMMARY OF ANALYSIS AND CONCLUSIONS: (continued)**Time adjustment assumptions:** (continued)

There was insufficient available data from which to obtain quantifiable time adjustments, so none were made. It was reasonable to assume that the unit value of the subject property would not be less than it was in my opinion as concluded in the attached appraisal. An assumption of a final opinion of value in the upper half of the range indicated in my analysis was reasonable. Support for this assumption is a recent history of sales and resales of hillside and ridge top vacant sites in an ongoing commercial development about one mile north of the subject parcels. Three to twelve acre sites have indicated a modest upward trend in the unit values during the past 4 to 5 years.

Size Adjustments:

Size adjustments were extrapolated from the Bannock County Assessor's commercial land schedule and applied as percentages of the time adjusted Rate, or unit value.

All other adjustments:

Location, utility, frontage, access, size, topography, zoning and other adjustments were applied as percentages based upon a 5% differential between Poor, Fair, Average and Good. These adjustments were applied as percentages of the time adjusted Rate, or unit value.

CONCLUDED UNIT VALUE AND OPINION OF MARKET VALUE:

It is my opinion that the Unit Value of \$10,500 per acre and a final present value of \$135,500 for the assembled 12.88 acre parcel described in this Revised Update of my 2009 appraisal was reasonable and supported by the available market sales data.

Respectfully,

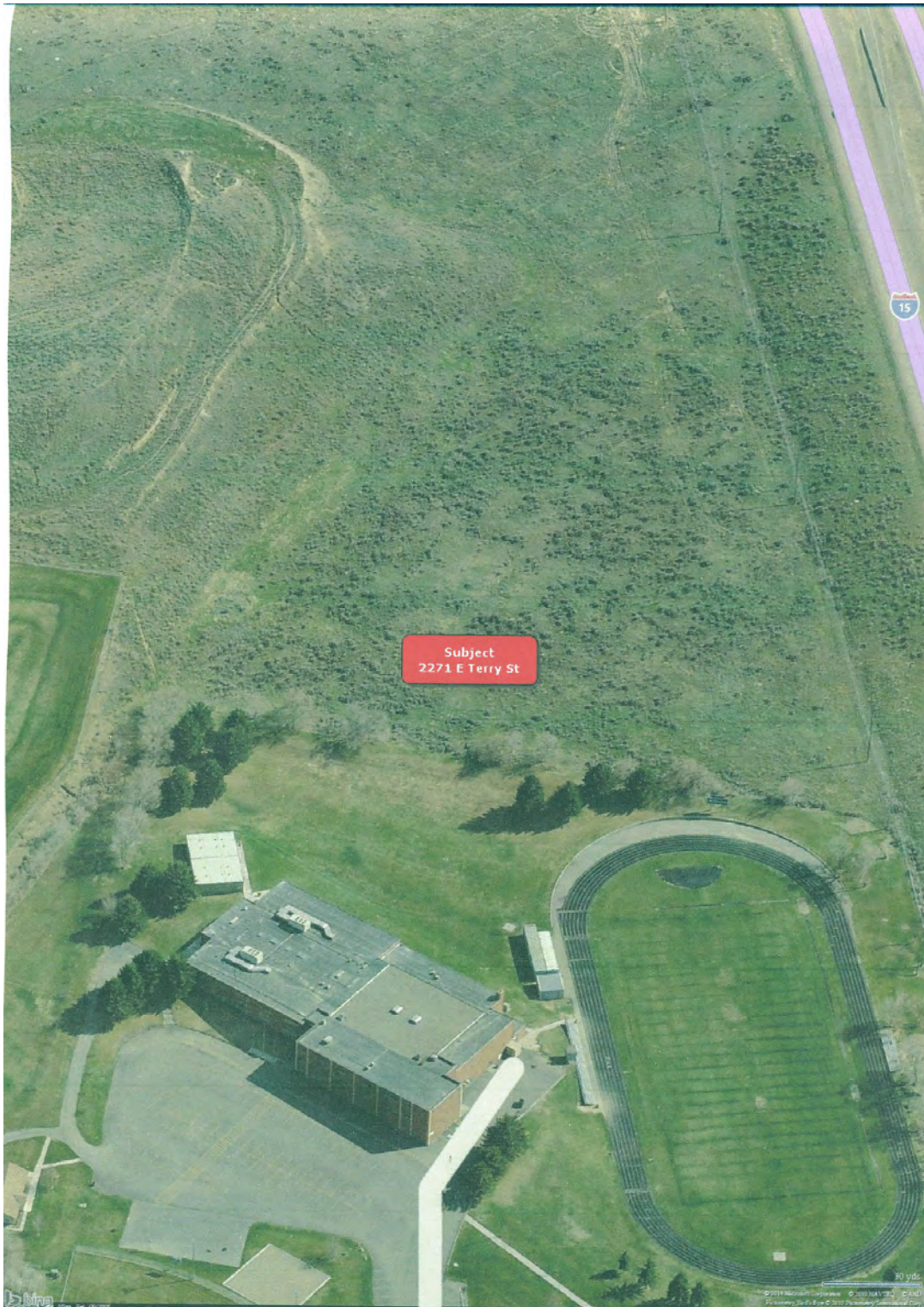
Resubmitted: February 3, 2014

Revised: February 20, 2014

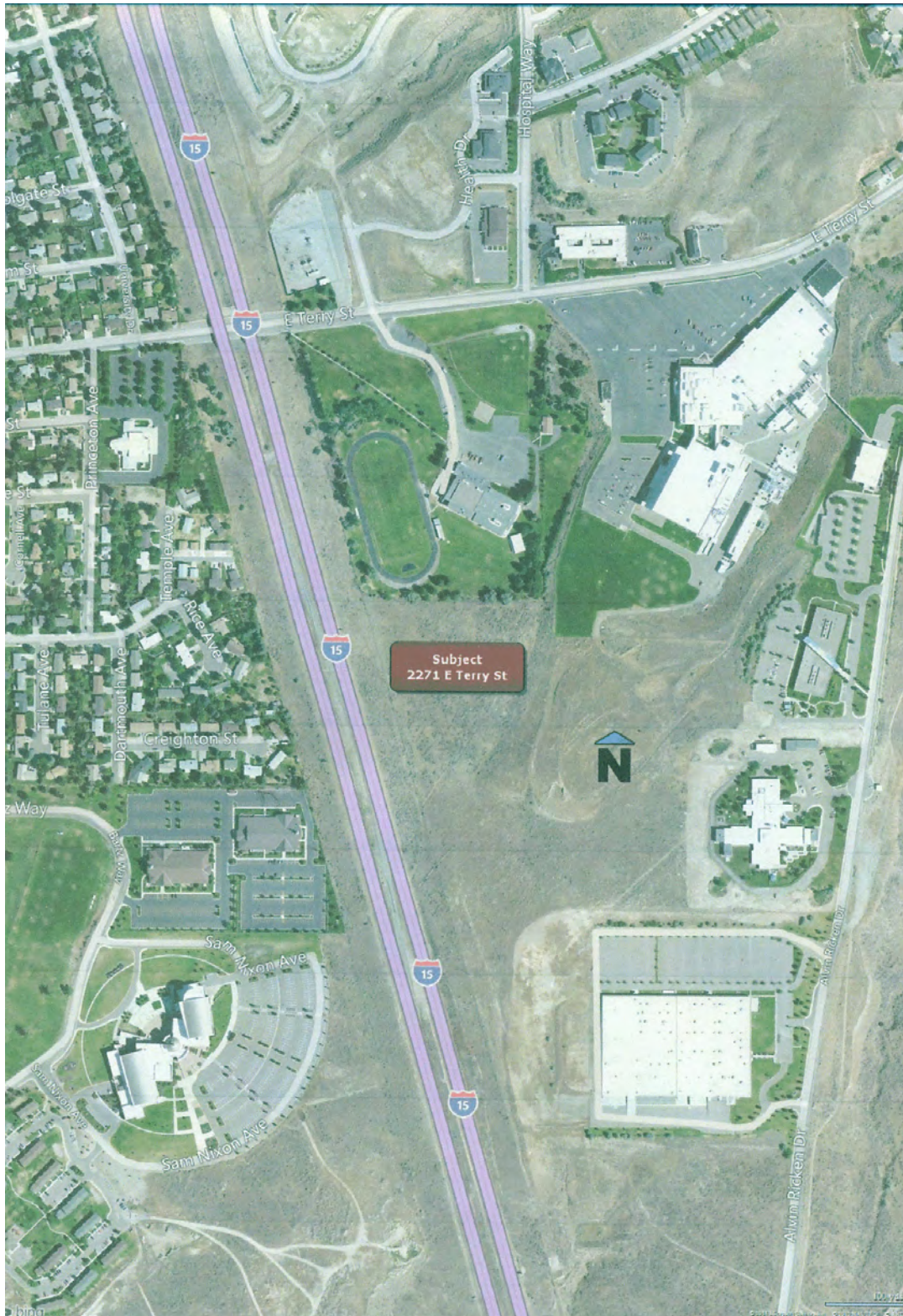


Paul R. Smith
Certified General Appraiser
CGA-110

BIRD'S EYE VIEW
Looking South



SUBJECT LOCATION MAP



PARCEL 1 and PARCEL 2



COMPARABLE SALES LOCATION MAP



Appraisal Report For

Idaho State University
Pocatello, Idaho

Property Located
Immediately South of
Franklin Middle School (formerly Jr. High)
2271 East Terry Street (Buckskin Rd)
Pocatello, Idaho 83201

as of
April 1, 2009



Paul Smith Agency
File Number 090102

May 12, 2009

Dr. Kent M. Tingey
Vice President for Advancement
Idaho State University
Campus Box 8024
Pocatello, ID 83209-8024

Re: Vacant Parcel directly south of
2271 East Terry Street
Pocatello, ID 83201

Dear Dr. Tingey:

In accordance with your request for an estimate of the market value of the unencumbered fee simple title to the property located at

A Tract in the SE¼ SE¼, Tax 55, 8.68 Acres,
Section 25, Township 6 South, Range 34 East,
Boise Meridian, Bannock County, Idaho,

I have personally inspected the property and have made a careful and detailed analysis of all factors pertinent to the estimate of value.

The accompanying report of 37 pages, including this Letter of Transmittal, contains the results of my investigation and analysis.

In my opinion, the Market Value of the Subject Property as of April 1, 2009 was

NINETY EIGHT THOUSAND AND NO/100 (\$98,000.00) DOLLARS.

Respectfully submitted,



Paul R. Smith, CGA
Certified General Appraiser

SUMMARY OF IMPORTANT CONCLUSIONS

PROPERTY DESCRIPTION: A Tract in SE¼ SE¼ Tax 55, 8.68 Acres, Section 25,
Township 6 South, Range 34 East, Boise Meridian,
Pocatello, Bannock County, Idaho

SPECIAL ASSUMPTIONS/CONCLUSIONS: Standard, excepted as defined in Appraisal

HIGHEST AND BEST USE: As property assembly tract for adjacent or nearby property owner

AGE OF IMPROVEMENTS: No apparent improvements noted

ESTIMATE OF LAND VALUE: \$98,000

VALUE INDICATIONS:

SALES COMPARISON APPROACH:	\$98,000
COST APPROACH:	Not Applicable
INCOME CAPITALIZATION APPROACH:	Not Applicable

FINAL ESTIMATE OF DEFINED VALUE: \$98,000


ALLOCATION OF VALUE:

LAND VALUE:	\$98,000
IMPROVEMENT VALUE:	0
TOTAL VALUE:	\$98,000

DATE OF VALUE: April 1, 2009

DATE OF REPORT: May 12, 2009

APPRAISER:



Paul R. Smith, CGA -110
Certified General Appraiser

Paul Smith Agency

General Summary Appraisal Report

Complete Appraisal

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

CLIENT:

Idaho State University
Campus Box 8024
Pocatello, ID 83209-8024

Attention: Dr. Kent Tingey
Vice President for Advancement

BUYER:

School District No. 25
3115 Poleline Road
Pocatello, ID 83201

APPRAISER:

Paul R. Smith
Certification No.: CGA-110

SUBJECT:

An 8.68 acre parcel land in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, Township 6 South, Range 34 East, Boise Meridian, Pocatello, Bannock County, Idaho. See following description and sketches.

PURPOSE OF THE APPRAISAL:

The purpose of this appraisal is to provide the appraiser's best opinion of the market value of the subject real property as of the effective date.

Paul Smith Agency

DEFINITION OF MARKET VALUE:

Market value, as defined by the federal financial institutions regulatory agencies, means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

INTENDED USE:

This appraisal is intended to assist the **Client, Idaho State University**, in determining a reasonable market value for possible sale of the subject property to another public entity.

INTENDED USERS:

The intended users of this appraisal are the **Client, Idaho State University** and/or their legal assigns. No other users are anticipated nor are they acknowledged by the appraiser without his prior approval.

INTEREST VALUED:

The property was appraised as if free and clear of all encumbrances. The FEE simple estate was valued.

The Fee Simple Estate is the Absolute Ownership of property, real or personal, unencumbered by any other interest or estate, subject only to the four powers of government. The subject appeared to have some encumbrances, the effect of which are discussed later in this report.

EFFECTIVE DATE OF VALUE:

April 1, 2009

DATE OF REPORT:

May 12, 2009

Paul Smith Agency

SCOPE OF APPRAISAL:

The appraiser visited the subject property and made a basic inventory of the improvements thereon. The current and past market for sales of similar property, both unimproved and improved, in the Pocatello, Chubbuck and south Bannock County market was examined in order to find reasonably comparable sales that occurred within the past three or four years. Current listings of similar properties were also considered. Analysis of these sales and offerings, relative to their comparability with the subject, resulted in the following statements and opinions.

Note: If I did not personally visit each of the comparables cited in this report, I relied upon public records, aerial photos, topographic maps, location maps, multiple listing service records and my personal experience in the general area of the subject property, the listings and the sales.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser (1) physically and/or visually inspected the subject site and any improvements thereon; (2) gathered information on comparable land sales; (3) confirmed and analyzed the data and applied the sales comparison approach to value. The replacement cost approach and the income approach were not applicable to this assignment and were not used.

To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice.

This Summary Appraisal Report is a brief recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file.

DESCRIPTION OF REAL ESTATE APPRAISED:

Location Description:

The subject property was located in the east central portion of city. It was essentially a "land locked" and vacant site located within an area of the City of Pocatello identified as a "special base zoning district" and subject to specific conditions. It appeared to be bounded on the north by property owned by School District 25 (Franklin Middle School), on the east by property owned by Idaho State College (now Idaho State University), on the south by property owed by the Idaho State Board of Education Trustees and on the west by Interstate 15 highway right of way. There was no known direct access to this parcel, except from and across the adjacent parcels.

DESCRIPTION OF REAL ESTATE APPRAISED: (continued)

Legal Description:

Other than the Bannock County Assessor's short legal description of "TR SE4SE4 TAX 55 8.68 AC S25-T6S-R34E COUNT PROP IN POCA", no legal description was furnished by the Client. Through my analysis of the available public records and my knowledge of land descriptions I was able to formulate the following legal description to facilitate the location and valuation of the subject property.

Beginning at the south 1/16 corner on the east line of Section 25, Township 6 South, Range 34 East, Boise Meridian, Bannock County, Idaho, thence South 00°16' East, 600.0± feet to the true POINT OF BEGINNING; thence South 89°22'00" West, 451.95 feet; thence South 00°20'02" East, 45.00 feet; thence South 89°22'00" West, 125.00 feet; thence North 00°20'02" West, 45.00 feet; thence South 89°22'00" West, 63.45 feet; thence South 16°07'00" East, 745.60 feet; thence North 89°22'00" East, 437.60 feet; thence North 00°20'02" West 718.55 feet to the POINT OF BEGINNING. Said tract containing 8.76 acres (381,668.64 square feet) of land, more or less. Perimeter = 2,632.15 feet.

We caution users of this report that we are not experts in rendering legal descriptions or in regarding issues of this property's title. The legal description cited above is the result of my analysis of available public records, aerial photographs, plat maps and sketches. I have used the Apex sketch program to depict my findings. We caution that appropriate legal council be retained in all matters regarding this property's legal description and issues of title.

My sketch and analysis resulted in an estimated land area of 8.76 acres for the subject property. The Bannock County Assessor's office, using the same basic parameters, estimated the subject size as 8.68 acres. The difference of 0.08 acre, 3,484.8 square feet, was relatively minor and would have minimal effect on the final value opinion. The Bannock County Assessor's estimate is the "official" recorded area of the subject parcel and will be the value used in this appraisal.

Property Description:

The subject parcel was a trapezoidal shape with a small rectangle described out of the area near the northwesterly corner and along the longer of the two parallel sides. It contained a total of 8.68 acres (385,941.60 square feet) more or less. It appeared to have a uniform surface with a moderate slope down from south to the north line, where it was contiguous with the School District 25 (Franklin Middle School) property. The westerly line was bounded by the Interstate 15 right of way identified as Parcel No. RPCPP087104 in the Bannock County Assessor's records. The south line was bounded by a 4.20 acre parcel owned by the Idaho State Board of Education Trustees and identified as Parcel No. RPCPP108806 in the county records. The eastern line was contiguous with another parcel owned by Idaho State College and identified with several other tracts as Parcel No. RPCPP111005 in the assessor's records.

Paul Smith Agency

DESCRIPTION OF REAL ESTATE APPRAISED: (continued)

Property Description: (continued)

There were no apparent roads or easements that provided access to the subject property without crossing parcels of land owned by others. There were some defacto trails and paths that were assumed to have been used in the site preparation and subsequent construction on nearby sites. None of them appeared to provide direct access to the subject property.

The only reasonable access was from the north, through the School District No. 25 property. Any other access would necessitate easements and road construction that could be economically prohibitive.

The nearest available water connection was a private line that terminated near the center of the east line of the Franklin Middle School property. It was located about 600 feet north of the northeasterly corner of the subject property. A public sewer line was nearer, about 100 feet north northeast from the subject's northeasterly corner. Getting public water service to the subject site would appear to require agreements for use, easements and installation of a water line extension across the easterly portion of the Middle School property. This may also be economical prohibitive.

Improvement Description:

Inspection Date: April 1, 2009

Type of Improvement: NONE

Typical vacant development sites have public street frontage, guaranteed access, and public utilities available at or very near one or more property line. The subject does not. In order to bring it into line with the most probable comparables the deficiencies must be corrected. The best method of equating the comparables to the subject was to quantify and make adjustments for major differences from direct market comparison of the sale prices expressed as unit values. The next best method was to use estimated costs to cure the deficiencies.

Assumed Extraordinary Development Costs

	Lineal Feet	\$/LF	Estimated Cost
Power extended to northwest corner	1,000	25	\$25,000
Sewer extended to northeast corner	100	50	\$5,000
Water extended to northeast corner	600	60	\$36,000
Assumed Extraordinary Development Costs			\$66,000

Paul Smith Agency

ZONING:

The specific zoning was:

UNIVERSITY DISTRICT (U):

A. Zoning Map Designation: The "university district" is defined as those lands depicted as such on the zoning map, encompassing properties owned by Idaho State University, specifically what is considered the core campus at the time this title was adopted.

B. Development Plan: Land use on the campus of Idaho State University is governed by state law and the university's development plan. All development is approved, permitted, and regulated by state authority and is to be in accordance with the overall campus development plan, which shall be submitted for city review and comment upon initial creation and/or amendment.

C. Development Review: All development proposals shall be reviewed by the city's site plan review committee. Comments and recommendations shall be forwarded to university officials for consideration. If, in the determination of the city, the proposal is deemed detrimental to the public's health, safety, and welfare, or if the development and its implementation will have adverse impacts on existing or planned public facilities of the city, then the city may refuse to provide city services to said facilities and/or pursue any other remedy provided by law.

D. Changes To Zoning Map Designation: If Idaho State University relinquishes ownership of property to a private or nonpublic entity then the special base zoning district designation, university, becomes immediately null and void. After such nullification the property shall be assigned an appropriate zoning district designation, after hearing in accordance with the hearing process for re-zoning requests as outlined in section [17.02.300](#), "Decision Making Procedures/Public Hearings", of this title and in accordance with the goals and policies of the comprehensive plan and the provisions of this title. (Ord. 2846 § 1, 2008)

The School District 25 property (Franklin Middle School), just north of the subject was in an RCP zone. Should the subject be sold, re-zoning was most probable. The logical change was to that of the most viable adjacent property and most likely buyer/user of the subject site.

The adjacent zoning was:

Residential/Commercial/Professional District (RCP): The RCP zoning district is intended to accommodate a mix of residential, professional office, and neighborhood commercial uses including business/professional services, convenience retail, personal services, and restaurants, in close proximity to residential areas and major transportation facilities. Residential uses are permitted consistent with the density and requirements of the RH zoning district. Heliports, medical centers, religious institutions and some utilities are conditionally permitted. Developments in the RCP zoning district may be used to serve as a buffer between residential areas and commercial and/or industrial areas.

Paul Smith Agency

ASSESSED VALUATION AND TAXES:

Parcel No	Category	Acres	Value:	Rate \$/Ac	Imprvmnt Value	Total Value	2008 Taxes
RPCPP087105	Urban	8.68	Non Assessable		N/A	N/A	N/A

Bannock County Assessor's Legal Description:

A tract in the SE¼ SE¼, Tax 55, 8.68 Acres, Section 25, Township 6 South, Range 34 East, Boise Meridian, Country Property in Pocatello, Bannock County, Idaho.

FEMA FLOOD MAP:

The subject was in an area of the county depicted on FEMA Map 160012 0005 B, effective October 16, 1996. It was in Zone C, and there did not appear to be any special flood hazard.

OWNERSHIP OF RECORD:

Idaho State College, now known as Idaho State University
Campus Box 8024
Pocatello, ID 83209-8024

SALES HISTORY:

There have been no other known sales nor offers on the subject property in the past three years. The subject parcel of land was the remainder of a larger tract of 151.97 acres that was deeded to the University (Idaho State College) in the year 1947. The Warranty Deed from F. A. Nixon (Trustee) et al to Idaho State College was recorded in Book 99, Page 623, Instrument No. 252877, on or about March 7, 1947. Nixon received the property from Myers in November 1914.

Over the past sixty two years other portions of the original tract were deeded to the State of Idaho for Interstate Highway right of way, individuals for residential development and Pocatello School District 25 for Franklin Middle School (Junior Highschool). The remainder result of these various transactions was the relatively small, land locked parcel that is the subject of this appraisal.

Paul Smith Agency

IMPEDIMENTS:

Public Rights-of-Way:	None Known
Water Rights:	None Known
Easement:	Possible Power Line Easement along west side
Access:	NO apparent direct access

EXPOSURE TIME:

The improved property sales data indicated that exposure time (i.e., the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded in this analysis as of the date of this valuation) was an important factor in property valuation and analysis. All of the data used were considered to have had sufficient market exposure.

MARKETABILITY:

The subject property was nearly unique in the local market; large enough to attract developers attention, but isolated from direct public access. In my opinion, the marketability of the subject property was severely restricted. It appears that there would be few qualified buyers in the current market who were not adjacent or nearby property owner's. Other than Idaho State University (formerly Idaho State College), the only nearby property owners of developed tracts of land were School District No. 25, ON Semiconductor (Formerly AMIS) and Ballard Real Estate Holdings Inc.

The Ballard property was not contiguous with the subject but was within 500 feet of the southeasterly corner of the subject. Ballard Medical Products, the former occupant of the Ballard property sold operations to Kimberly Clark who then ceased operations at the site about one year ago. The property appeared to be vacant and the likelihood of interest from Ballard for the subject property was not realistic.

ON Semiconductor has recently scaled back production and imposed significant personnel layoffs. It would appear that they would have no present need for addition site area.

The only remaining apparent qualified buyer was School District No. 25. I am not aware of any planned expansions of the Franklin Middle School campus, but if any were contemplated, the purchase of the subject site would appear to be logical and economically feasible. Re-zoning or Conditional Use permit for school improvements would likely be readily approved by the City and Idaho State University.

Paul Smith Agency

CITY DATA:

The Greater Pocatello metropolitan area included two separate cities and the immediate suburban and urban development contiguous with the respective city boundaries. Pocatello, Idaho was a city of about 54,000 population and located in Southeastern Idaho. It was the site of Idaho State University and the location of the most diversified economy in the State of Idaho. The City of Chubbuck was adjacent to the northerly borders of Pocatello and included another 12,100 people. Both cities were located in Bannock County, with a total population in excess of 83,000. The above population figures were as of the 2006 census estimates.

Since mid-1989 Pocatello and Chubbuck have experienced steady population and economic growth with the addition of numerous new jobs annually during the past four years. There were several major employers, those employing more than 350, which included Idaho State University, School District 25, Portneuf Medical Center, ON Semiconductor (formerly AMIS), Convergys Business Services, Heinz Frozen Food Company, Union Pacific Railroad, Pocatello City Government, Bannock County Government, Wal-Mart Retail Stores and J.R. Simplot Company. In addition, more than 1,000 citizens were employed at the Idaho National Energy and Environmental Laboratory. Most of the job growth was observed to have come from existing businesses which survived the dismal 1980's and have added 1 to 2 new jobs each year. There have been periodic, seasonal lay offs and hirings as the businesses continue to adapt to the ever changing economic climate.

Known as the “Gate City” for its location on the Portneuf River at a natural gap between mountains, Pocatello played a significant role in Idaho’s and the nation’s history. Because of its location so near the confluence of the Portneuf River and the Snake River, Pocatello was a natural site for a fur trading post. Fort Hall was established in the early 19th century. During the 1840s, Pocatello was a popular stopping place on the Oregon Trail route, and later became a major railroad hub for the Union Pacific Railroad in the 1880s. Although the railroad transferred many of its operations to other rail centers during the late 1990s and early 2000s, the switching and railyards still provided good transportation options for local agricultural, mining, timber and other bulk products produced and/or processed in the area.

Pocatello’s advantageous location at the intersection of two major Interstate highways, I-15 and I-86, provided good access to major cities throughout the entire Western region of the United States. In addition, Pocatello’s regional airport supplied passenger and air freight service to Salt Lake City, Boise and many other major airports, as well as commuter and connecting flights servicing smaller communities. The close proximity to Yellowstone and Grand Teton National Parks, Sun Valley, the Sawtooth and Bitterroot mountain ranges, Frank Church Wilderness, and many other recreational and vacation destinations made Pocatello a natural stop for travelers and tourists. Local mountains, rivers and reservoirs presented ample opportunities for hiking, biking, skiing (both downhill and cross-country), camping, boating, fishing and hunting within a few minutes drive from the city limits.

CITY DATA: (continued)

Idaho State University provided high-quality undergraduate and graduate programs in various health professions, nursing, pharmacy, dentistry, nuclear sciences, engineering, biology, mathematics, computer science, computer systems technology, as well as in business and the humanities. The combined presence of the University itself, the Idaho Accelerator Center, the ISU Research and Business Park, the new Heart and Vascular Center at Portneuf Medical Center, plus its status as a bedroom community for the Idaho National Lab in Idaho Falls, caused Pocatello's per capita educational levels and percentage of technical professionals to be much higher than anywhere else in the northern Rocky Mountain region.

Pocatello had an unusually vibrant tradition of the cultural arts despite its railroad town heritage. The new \$34,000,000 Stephens Performing Arts Center completed in late 2004 provided new performance venues for the existing local Idaho State Civic Symphony, instrumental and choral ensembles, live theater groups, ballet and opera companies, as well as for the many well-known professional artists and companies who include stops in Pocatello on their concert tours. Pocatello has hosted an International Dance Festival annually for the past few years. Pocatello also has a very strong writers' community. The Rocky Mountain Writers' Festival started in Pocatello several years ago and has become a week-long event drawing writers and poets from all over the west. The annual Frank Church Symposium held at ISU brings well-respected, nationally-renowned political speakers and panelists to discuss a variety of political and economic issues. Pocatello also hosts the Dodge National Circuit Finals Rodeo each March, and the Simplot Games features top high school track and field athletes from all around the Western U.S. competing for medals and working with former Olympic champions. Annual wrestling, soccer and horseshoe tournaments attract many other visitors to the area as well.

Since the late 1980s, there had been a noticeable renewed pride in the City and the business community. The City of Pocatello was actively targeting underutilized and vacant areas in both residential and commercial zones for acquisition, demolition and redevelopment into desirable, useable homes and commercial buildings. The original downtown commercial area was designated in the early 1990s as an Historic District, and many of the buildings were being restored to their original facades with updated interiors. Several buildings and old hotels were being converted to upper-story residential units to provide convenient, comfortable housing for those who prefer to live and work within easy walking distance. City water and sewer lines were replaced in 2004 and 2005 under the streets in Old Town Pocatello, and a new Pedestrian Mall was planned. New businesses were opening and others were relocating into the Old Town area. The most recent was the October opening of a new Costco warehouse store just south of the rapidly developing Pocatello Square, the location of Lowes, Staples, Bed, Bath & Beyond, Sportsman's Warehouse, Texas Roadhouse, and many other big box stores.

CITY DATA: (continued)

The construction industry had been booming in the past few years and was predicted to continue to be strong. In 2004 alone, new home construction increased 41% over 2003; commercial construction increased 37% and home improvement/repairs were up 15%. Major retail chains such as Costco, Home Depot, Lowe's, and Walgreen's Drug Stores have all built new stores, and two new large shopping complexes were being developed. Other, smaller complexes were being developed as well, with retail tenants already lined up. Existing businesses were also expanding and building new facilities to accommodate their needs. In 2001, Idaho Farm Bureau built a new \$10 million, 93,600 SF office building with a two-level parking garage to house their headquarters office. A new professional office complex was being developed near East Center Street, and included First American Title Company's new \$2 million building which was completed in 2005. In 2004, Superior Modular Systems purchased a new facility on 10 acres, and moved their operations to an 80,000 SF building and rented out the rest of the buildings on the site to other businesses. A new \$1 million 11,000 SF facility was under construction on Hospital Way to house the new Child Behavior Center, and was completed in 2005.

Pocatello was served by a very high quality hospital, featuring a top ranked cardiovascular surgery center, and a medical community which provided extensive, quality medical care for nearly all human conditions. A recent agreement with Legacy Hospitals has assured that the completion of the \$250,000,000 state of the art hospital consolidation and construction will be completed within 24 to 36 months from April 2009.

The local school system, though expending less per student than 98% of the Idaho school districts, provided quality K through 12 educational services. A bond election approving the funding of a third high school was passed in March 1997, and the new Century High School opened in the Fall of 1999.

The Pine Ridge Mall was a regional mall with good anchors and many quality auxiliary retailers and service tenants. There were other, smaller malls and numerous retail/service centers throughout the city.

The forecast was for continued steady, though slower, economic and population growth in a healthy business climate. The enrollment at Idaho State University was continuing to grow at a pace exceeding the national average. The economic impact of that growth helped to stimulate and sustain the local business community.

It was assumed by the appraiser that the Client and authorised users of this appraisal were familiar the cities of Pocatello and Chubbuck, and Southeastern Idaho. More detailed information of either the cities or the general area was not needed, but may be furnished upon request.

HIGHEST AND BEST USE:

Highest and best use was defined as "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are Legal Permissibility, Physical Possibility, Financial Feasibility, and Maximum Profitability."

Highest and best use of land or site as though vacant was defined as "The use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements."

Highest and best use of property as improved is defined as "The use that should be made of a property as it exists."

The above definitions were from "The Dictionary of Real Estate Appraisal," Second Edition.

Highest and best use as though vacant: the subject site was an addition to one of the several adjacent parcels for future development of clean light industrial or business uses.

It was readily visible from Interstate 15, but not directly accessible.

There were no apparent improvements. Public utilities were not readily available nor accessible without easements across other owned parcels.

The users of this type of property were individuals or investor groups, who desired large parcels that might be developed as a site for light manufacturing, educational and research facilities, or public school amenities.

The demand for this type of property in this kind of location was, in my opinion, low. There were few apparent qualified buyers in the present market.

The supply of like properties in a similar location was limited. However, there were several other sites available for lease or purchase in the near neighborhood. Future demand for parcels similar to the subject in this location would appear to be average to good.

In my opinion, the highest and best use for the subject site, as vacant and available to the general market, was as an addition to the property occupied by Franklin Middle School to facilitate likely expansion of the required building and/or outside activity areas.

SUMMARY OF ANALYSIS AND CONCLUSIONS:

Cost Approach:

In the typical appraisal of vacant, **unimproved or under improved parcels of land**, the Replacement Cost Approach was synonymous with the Sales Comparison Approach. It would be redundant to repeat the process.

The Income Approach:

The Income Approach to Value was considered, but not used. There was scarce available information on leased commercial sites and none that were directly or generally comparable with the subject property. Any analysis would result in value indications that would be meaningless in the appraisal of the subject property.

SUMMARY OF ANALYSIS AND CONCLUSIONS:

Sales Comparison Approach (Vacant Land):

The Sales Comparison Approach was a two-phase valuation process with the land valued as if vacant and available for the highest and best use. The directly comparable sales of vacant sites within the original Townsite were sparse, but sufficient to indicate a reasonable range of the unit value of the subject site. A similar process was used to value any significant improvements separately after removing the influence of the variable site values. The Sales Comparison Approach was considered to be a most realistic value indicator. This subject of this appraisal assignment was formerly dry grazing and idle land with no physical improvements other than those normally considered to be part of the land value, including access roads, fences, gates and irrigation ditches. All of the comparable listings and sales cited in this report were assumed to include sufficient basic land elements and there was no necessity to make line item or numerical unit adjustments for these typical attributes.

I have examined the databases of the Greater Pocatello Association of Realtors MLS, the Snake River MLS, and my personal appraisal files in search of more recent, meaningful sales data when compared with the subject.

The value of the site as though vacant was estimated using the Sales Comparison Approach; recent sales of parcels with similar locations and zoning were analyzed. There have been few vacant, or under-improved, land sales of sites similar to the subject. Most of them were smaller and had better access from public rights of way. When analyzed and adjusted for differences, these sales were considered to be best available indicators of the range of unit value for the subject.

Paul Smith Agency

SUMMARY OF ANALYSIS AND CONCLUSIONS: (continued)

Description of Comparable Sales:

Sale No. 1 - Dekay Rd: Located 6.9 miles north and west of I-15, private well and septic system, electric power and natural gas to site, frontage on dedicated road, average access, 7.30 acres, generally flat, zoned Commercial General, light industrial uses. Sold 2009, \$100,000 cash.

Sale No. 2 - Deerridge Rd: Located 6.7 miles north and west of I-15, private well and septic system, irrigation water right, electric power and natural gas to site, frontage on dedicated road, average access, 5.11 acres, generally flat, zoned Residential Suburban, large lot residential uses. Sold 2008, \$120,000 Cash.

Sale No. 3 - East Elm St: Located 1.3 miles northwest and west of I-15, all public utilities available, electric power and natural gas available, frontage on dedicated road, average access, 5.64 acres, gentle slope up from road, zoned Residential Medium Density Single-family, primary residence uses. This property was incorporated into existing planned residential development in good residential areas of the city. Sold 2006, \$130,000 conventional terms.

Sale No. 4 -. Country Club Dr: Located 3.4 miles south and west of I-15, all public utilities available, electric power and natural gas available, frontage on dedicated road, average access, 12.00 acres, gentle rolling slope up from the road, zoned Residential Medium Density Single-family, primary residence uses. This property was incorporated into existing planned residential development in one of the most preferred residential areas of the city. Sold 2006, \$179,900 cash.

Sale No. 5 - Barton Rd: Located 1.0 mile south and east of I-15, city water and sewer lines had to be extended up Barton Rd to the subject at additional cost to buyers, electric power and natural gas to site, frontage on dedicated road, average access, 14.39 acres, gentle slope up from bluff on west, zoned Residential Medium Density Single-family, primary residence uses. This property was incorporated into existing planned residential development in good residential areas of the city. Sold 2005, \$244,000 seller financing.

Sale No. 6 - Barton Rd: Located 1.1 mile southeast and east of I-15, private well and septic system, electric power to site, recorded access easement to dedicated road, fair access, 8.00 acres, gentle slope up from northwest to southeast, zoned Rural Residential, single family uses. Sold 2005, \$60,000 cash.

SUMMARY OF ANALYSIS AND CONCLUSIONS: (continued)

Vacant Land Sales:

Land Sales							
Sale	Date	Location	Zone	Utilities	Price-\$	AreaAc	\$/Ac
S	04/09	Subject	U/RCP	G-P-W-S	TBD	8.76	
S-1	2009	Dekay Rd	CG	G-P	100,000	7.30	\$13,699
S-2	2008	Deerridge Dr	RS	G-P	120,000	5.11	\$23,483
S-3	2006	East Elm St	RMS	G-P-W-S	130,000	5.64	\$23,050
S-4	2006	Country Club Dr	RMS	G-P-W-S	179,900	12.00	\$14,992
S-5	2005	Barton Rd	RMS	G-P-W-S	244,000	14.39	\$16,956
S-6	2005	Barton Rd	RR	P	60,000	8.00	\$7,500
Unadjusted Indicated Mean Unit Value						\$/Ac-SF	\$16,613
						Standard Deviation Unit Value	\$/Ac-SF \$6,048
Unadjusted Indicated Range of Unit Value						\$10,565	\$22,662

Subject Site Area: 8.76 Acres

Zoning Districts:

U - University
RCP - Residential/Commercial/Professional
CG - Commercial General
RS - Residential Suburban
RMS - Residential Medium Density Single-Family
RR - Rural Residential

Utilities:

G - Natural Gas
P - Electric Power
W - City Water
S - Public Sewer

SUMMARY OF ANALYSIS AND CONCLUSIONS: (continued)

Sales Comparison Adjustment Chart (Vacant/Under-Improved Property):

No.	Rate	Time	Time	Other Feature Adjustment			Zoning	Total	Final
	Per SF	Adjustment	Adjusted Rate	Location Utilities	Frontage Access	Size Topo		Adjustmnt	Rate
S-1	\$13,699	0	13,699	-1,370	-2,055	-1,233	1,370	-3,288	\$10,411
S-2	\$23,483	587	24,070	-2,407	-2,407	-5,584	0	-10,398	\$13,672
S-3	\$23,050	1,729	24,779	-3,717	-3,717	-4,956	-2,478	-14,867	\$9,912
S-4	\$14,992	1,124	16,116	-4,029	-3,223	2,917	-1,612	-5,947	\$10,169
S-5	\$16,956	1,696	18,652	-3,730	-3,730	7,032	-1,865	-2,294	\$16,357
S-6	\$7,500	750	8,250	-206	-413	-314	0	-932	\$7,318
Indicated Mean Unit Value \$/Acre									\$11,307
Standard Deviation ±\$/Acre									\$3,196
Indicated Range of Unit Value \$/Acre							\$8,111	\$14,502	
Most Probable Unit Value									\$11,300
Summary of Land Value:				8.68	Acre @	\$11,300			
ROUNDED TO									\$98,000

Time adjustment assumptions:

Pocatello/Chubbuck and South Bannock County was a relatively small market for greatly diverse commercial and agricultural properties. There were insufficient available data from which to accurately quantify a reliable commercial and agricultural property value adjustment that were attributable to just the passage of time. Typically, the commercial real estate market and the agricultural land investor market lagged behind the residential sales market, for which there was ample overall market data that indicated an average annual increase in value, over the past 30 years, of **3.5% to 5%**. It was reasonable to assume that the commercial property sales and resales exhibited a similar trend. Additionally, it was reasonable to assume that agricultural land investments followed the commercial trend. I have assumed a **2.5%** annual inflation rate attributable to the passage of time for both vacant commercial and agricultural lands.

All other adjustments:

Location, utility, frontage, access, size, topography, zoning and other adjustments were applied as percentages based upon a 5% differential between Poor, Fair, Average and Good.

SUMMARY OF ANALYSIS AND CONCLUSIONS: (continued)

RECONCILIATION AND VALUE CONCLUSION:

The appraisal process resulted in a range of Unit Values for the subject property. A simple regression analysis of these estimates indicated a rounded range of \$8,100 to \$14,500 per acre for the subject property. The most probable Unit Value was \$11,300. These were:

Sales Comparison Approach	\$98,000
Replacement Cost Approach	Not Applicable
Income Approach	Not Applicable

Each of the value indicators was weighted equally in arriving at the final value estimate. The adjusted range of Unit Value indications was relatively broad but well supported by the line item adjustments. The majority of the indicators in the range of \$7,318 to \$16,357 supported a final estimate in the lower half of the range. The additional refinement of the range through simple statistical analysis also supported a final opinion in the lower half of the greater range.

Comparable Sales 1, 2, 3 and 4 were considered to be the best value indicators. They supported a final opinion of the Unit Value near \$11,050. It is my opinion a unit value of \$11,300 per acre was reasonable and a final value opinion of \$98,000 was supported by the available market data.

The Sales Comparison Approach indication was considered to be the only appropriate appraisal approach and the foundation for my final opinion of the market value of the subject property.

In my opinion, the market value of the subject property, as of April 1, 2009, was

NINETY EIGHT THOUSAND AND NO/100 (\$98,000.00) DOLLARS.



Paul R. Smith
State Certification No.: CGA- 110
May 12, 2009

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION CONTINGENT AND LIMITING CONDITIONS: (continued)

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

Paul Smith Agency

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION CONTINGENT AND LIMITING CONDITIONS: (continued)

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

ADDRESS OF PROPERTY APPRAISED: South of 2271 East Terry Street, Pocatello ID 83201

APPRAISER:



Signature:

Name: Paul R. Smith

Date Signed: May 12, 2009

State Certification #: CGA-110

State: Idaho

Expiration Date of Certification or License: 04/22/2010

Additional Certification:

10. I certify that, as of the date of this report, I have completed the requirements of the continuing education program required by the State of Idaho, Idaho State Certified Real Estate Appraiser Board.

LIMITATION OF INSPECTIONS:

The appraiser assumes the **owner** is aware that this appraisal on the subject property is not represented or assumed to be a building inspection and does not serve as a warranty on the condition of the property.

The **owner** is also aware that it is his or her responsibility to examine the property carefully and to take all necessary precautions prior to the closing of the loan transaction, which may include, but are not necessarily limited to, seeking help from a professional engineer and/or other experts in construction, plumbing, or electrical.

Any defects he or she knows about, should know about, or has found by using any experts should be reported to the appraiser, as these findings may have an impact on the value conclusions as they relate to the subject property.

ELECTRONIC TRANSMISSION and SIGNATURE:

The appraiser has transmitted this appraisal report via electronic mail. The signatures on the report have been placed there digitally, with the control of the signature only in the possession of the undersigned appraiser. This is fully acceptable under USPAP guidelines.

Paul Smith Agency

QUALIFICATIONS OF PAUL R. SMITH, APPRAISER
Idaho Certified General Real Estate Appraiser

EXPERIENCE:

47 Years - Fee and Staff Appraiser (Residential, Apartment,
Agricultural, Industrial and Commercial properties in Southern Idaho)
11 Years - Mortgage Banker, Residential Builder and Developer
27 Years - Independent Insurance Agent

PAST EMPLOYMENT:

3 Years - U.S. Army Corps of Engineers, Topographic Surveyor
11 Years - Mortgage-Insurance Corporation, Pocatello, Idaho
17 Years - Self-employed Real Estate Appraiser, Real Estate Broker
and Independent Insurance Agent, Pocatello, Idaho
19 Years - Self-employed Real Estate Appraiser

EDUCATION:

Pocatello High School
University of Notre Dame - I.S.U., Assoc. Degree, Civil Engr.
Idaho State University, BBA in Business Engineering
Idaho State University, Master Business Administration

Appraisal Courses and Examinations sponsored by:

American Institute of Real Estate Appraisers: Courses taken between 1965 and 1974

Appraisal I- Basic Real Estate Appraisal;	Appraisal II - Urban Properties;
Appraisal III - Rural Properties;	Appraisal VI - Investment Analysis;
Appraisal VII - Industrial properties;	Appraisal VIII - Residential Properties.

National Association of Independent Fee Appraisers: Courses taken between 1998 and 2004

Litigation Valuation - Nov 1998; FNMA Property & Appraisal - Sep 2003;
Scope of Work - Sep 2003; Fair Lending Requirements - Jan 2004;
Fraud, Flip and the FBI - Jan 2004; National USPAP Update - Jan 2004.

a la mode, inc.: Technology and the Modern Appraiser - Aug 1999;
Efficiency and Automation Through Technology - Oct 1998

The Chicopee Group: Small Residential Income Properties - May 2000;
Highest and Best Use Analysis I, Older Properties - Feb 2000;
New Appraisal Era - Feb 2000
Professional & Technical Compliance with USPAP I & II - Jul 1998.

Institute for Real Estate and Appraisals Studies: National USPAP Update - Oct 2008;
The New Appraisal Era - Oct 2008.

The Idaho Transportation Department: Proximity Damage Valuation Model - Jul 2003

Valuation Information Technology: Perspectives on 2-4 Unit Appraisals - Apr 1996
1996 USPAP Update - Feb 1996

Appraisal Institute: Courses taken between 1992 and 2007

Uniform Appraisal Standards for Federal Land Acquisitions - Aug 2007;
The Professionals Guide to the URAR - Sep 2005;
Residential Sales Comparison Approach - Sep 2003;
Rates & Ratios: Making Sense of GIMs, OARs, and DCF - Sep 2003;
USPAP - May 2001; FHA and the Appraisal Process - July 1999;
Highest & Best Use/Market Analysis - Nov 1994; Standards of Professional Practice - Aug 1994;
New Urar Seminar - Jul 1993; Basic Income Capitalization - May 1993;
Appraisal Procedures - Feb 1993; Appraisal Review - Aug 1992 ;
FIRREA - Overview and Practical Application - Apr 1993.

McKissock: National USPAP Update Equivalent - Jan 2006 National USPAP Update - Feb 2007
Disclosures & Disclaimers - Jan 2006 Appraising REO/Foreclosure - Feb 2007

LICENSES: **Idaho Certified General Appraiser #110, Expires 04/22/2010**

Paul Smith Agency

QUALIFICATIONS OF PAUL R. SMITH, APPRAISER (continued)

MEMBERSHIPS:

Greater Pocatello Association of Realtors - Past Director
National Association of Realtors - Appraisal Section
Southern Idaho Chapter - Appraisal Institute - State Certified Associate Member
Greater Pocatello Chamber of Commerce-Past Treasurer, Director
 -Industrial Development Committee
 -Idaho State University Scholarship-Chairman
 -Fly Pocatello Air Show - Co-chairman
Idaho State University
 -School of Applied Technology - Chairman, Office Occupations Advisory Committee
 -U.S. Presidential Award Winner
 -Greater Pocatello Chamber of Commerce/School of Applied Technology - Past Chairman
 College of Technology - General Program Advisory Committee
Idaho State Council on Vocational Education-Member 1987-1991
I.S.U.-Bengal Foundation - Past President & Director
Rotary Club of Pocatello - Director 1989-1994, President 1992-93
 - District 5400 Youth Exchange Committee, Chairman 1994-98

CLIENTS SERVED:

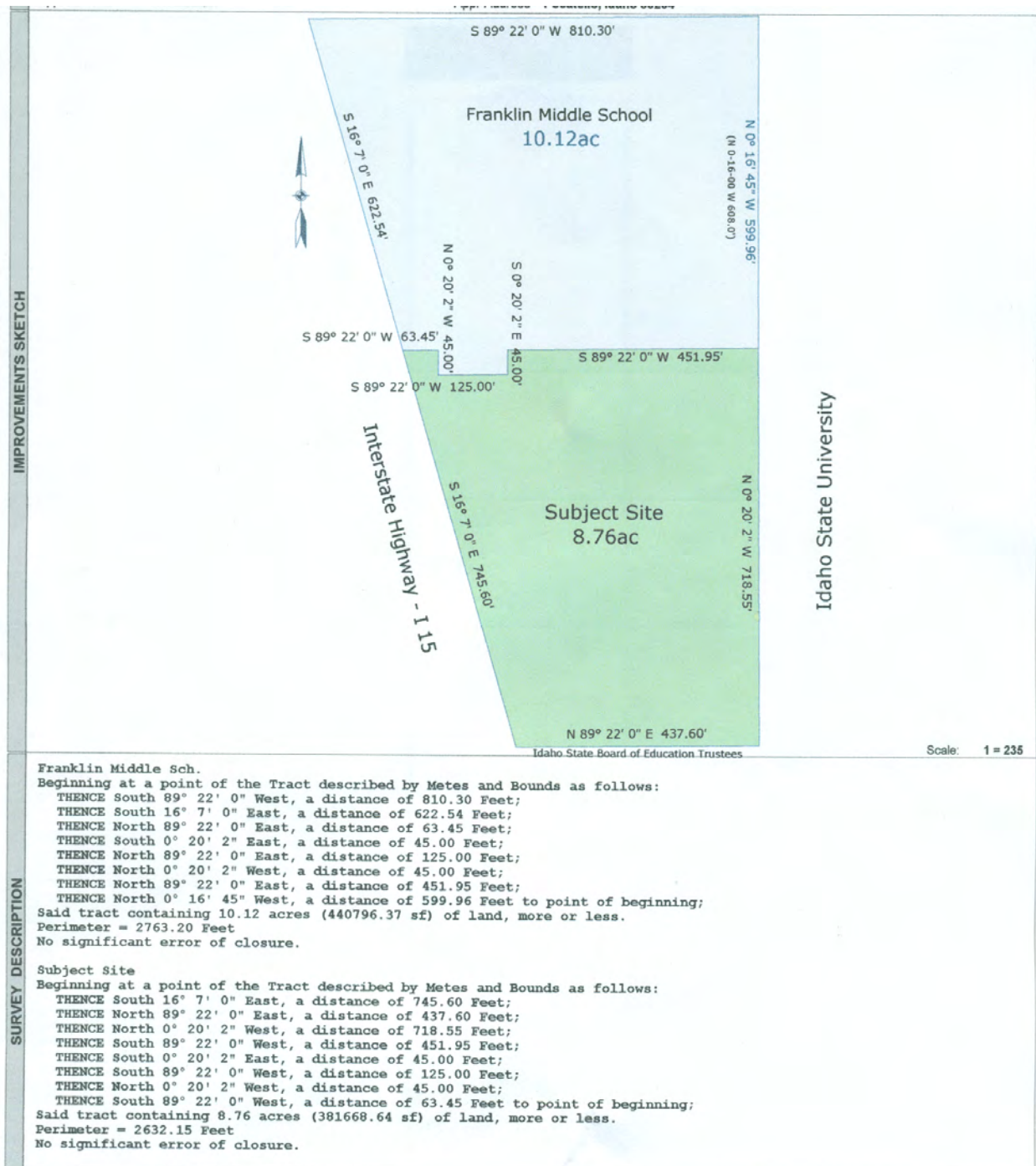
Bank of Idaho	State of Idaho
Citizens Community Bank	Bannock County
Conseco Bank	City of Pocatello
Ireland Bank	City of Chubbuck
Key Bank (Idaho Bank & Trust Co.)	City of American Falls
Riverview Community Bank	Pocatello Neighborhood Housing Services
Washington Federal Savings & Loan Association	Idaho Housing & Finance
Wells Fargo Home Mortgage	Eastern Idaho Development Corp
Department of HUD/FHA	Portneuf Greenway Foundation
Veterans Administration	Pocatello School District #25
Fee Appraiser & Inspector	Idaho State University
Beacon Hill Mortgage	Alliance Insurance Co.
Chase Manhattan Mortgage	Beneficial Life Insurance
Countrywide Home Loans	Farm Bureau Insurance
Federal National Mortgage Association	Farmers Insurance Co.
First Financial Corporation	Intermountain Claims
First Horizon Home Loan Corporation	New York Life Insurance
Greatstone Mortgage	Safeguard Properties
New World Mortgage	State Farm Insurance Co.
Norwest Mortgage	Uniguard Insurance
PHH Mortgage Services Corporation	Associates Relocation Management Co.
Priority Mortgage Corporation	Cendant Mobility - STARS
Idaho Central Credit Union	Coldwell Banker Relocation
Idaho State University Federal Credit Union	Merrill Lynch Relocation
Potelco Credit Union	The Relocation Center
Union Pacific Railroad Employee Federal Credit Union	Valuation Administrators
Harborside Financial Network	American Legion
	Astaris (FMC Corporation)
	Intermountain Gas Company

COURT TESTIMONY: Sixth District Court, Bannock County, Idaho - United States Bankruptcy Court

Paul Smith Agency

PLOT PLAN

East Terry Street (Buckskin Road)



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PHOTOGRAPHIC EXHIBITS

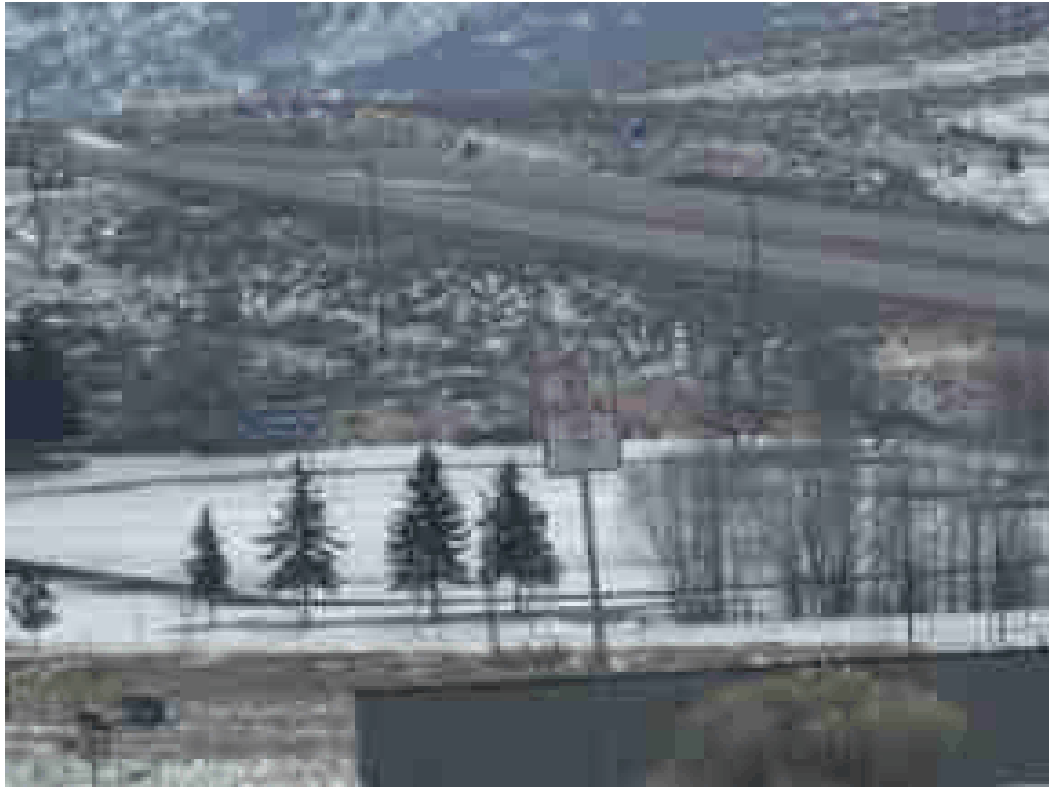


**Looking North from nearby Ballard Property
Subject Property in foreground**



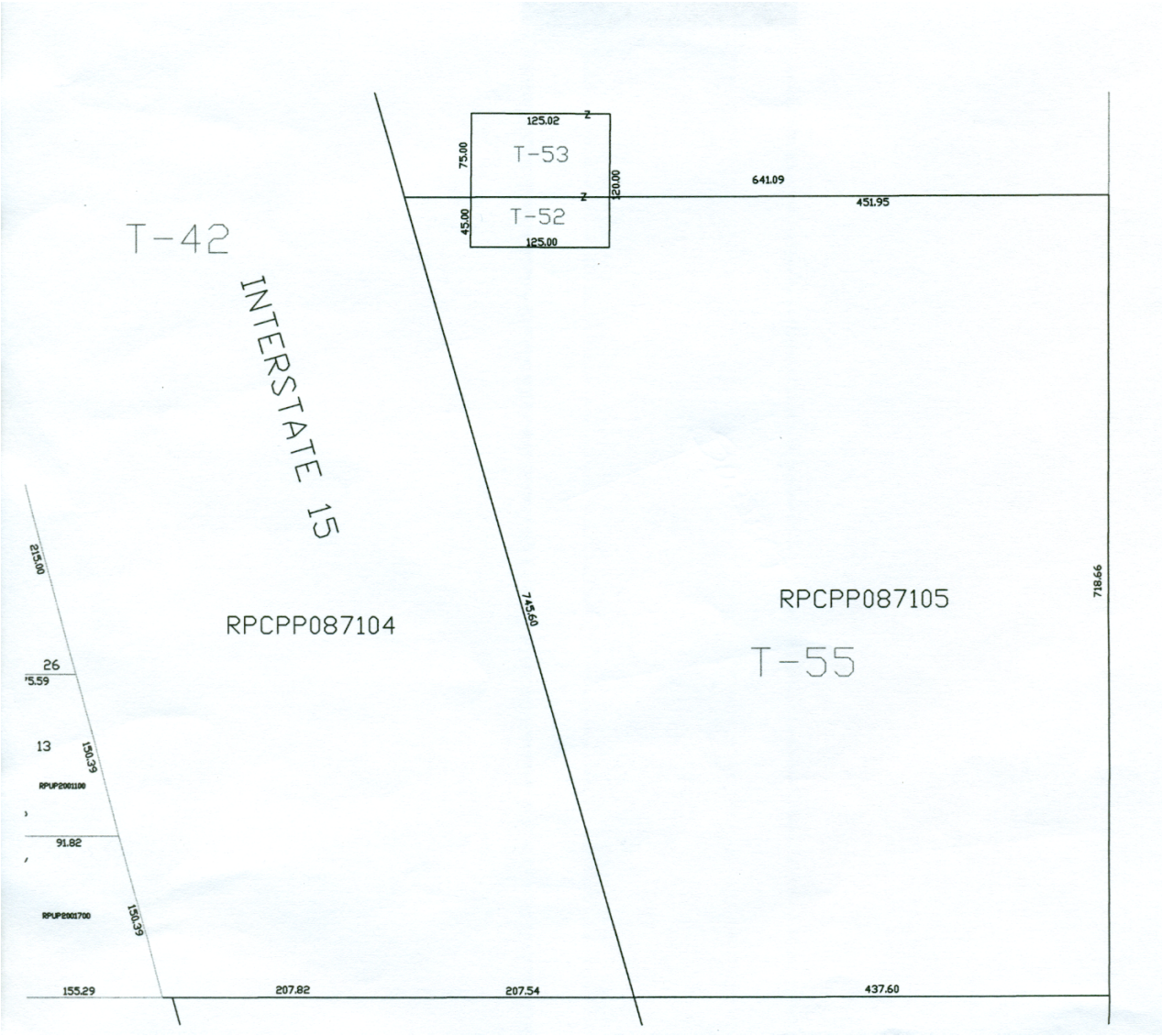
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PHOTOGRAPHIC EXHIBITS



Subject Property above and left of athletic complex
Photo taken February 2009

SUBJECT TRACT PLAT SKETCH

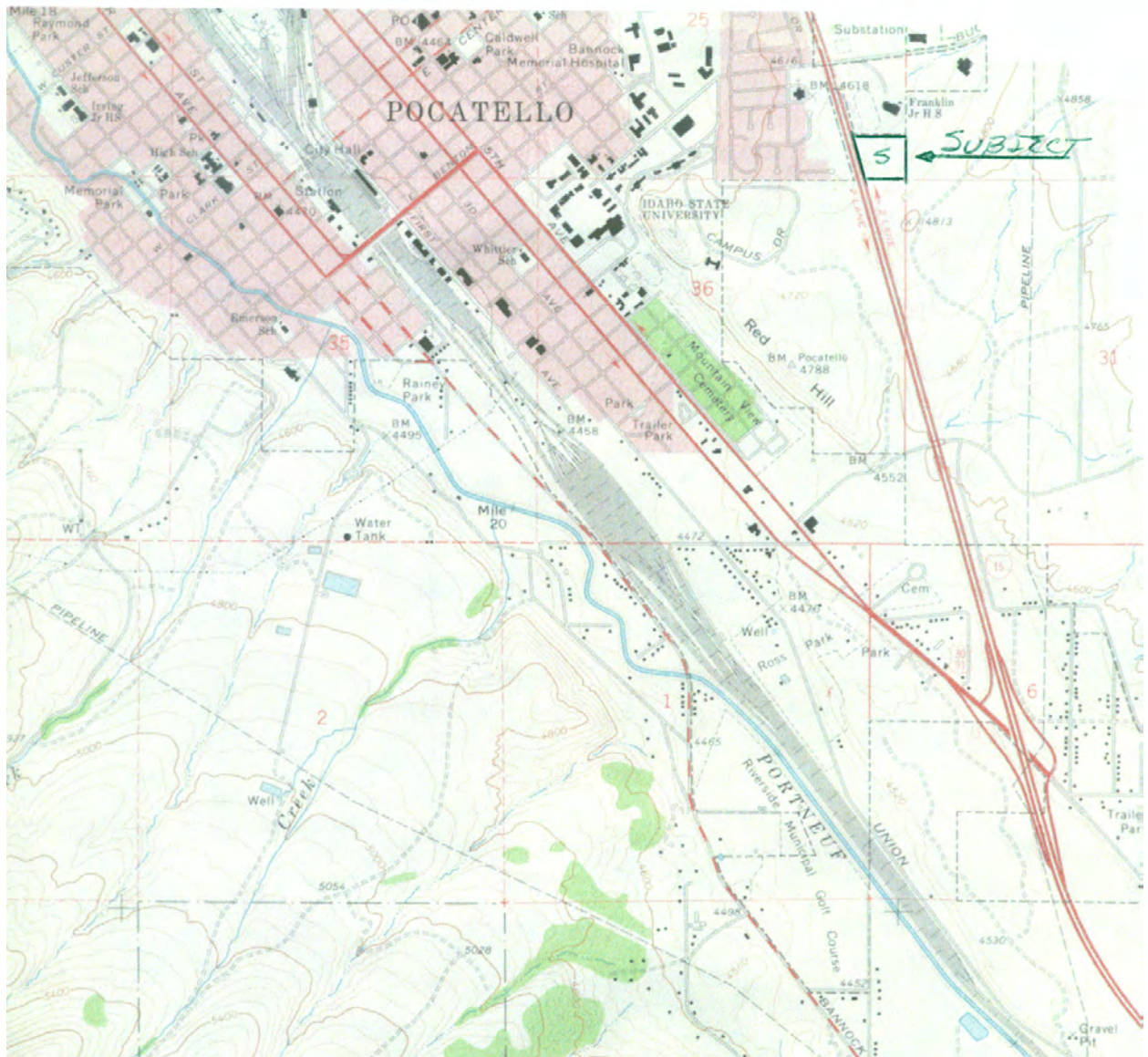


NEIGHBORHOOD AERIAL PHOTO

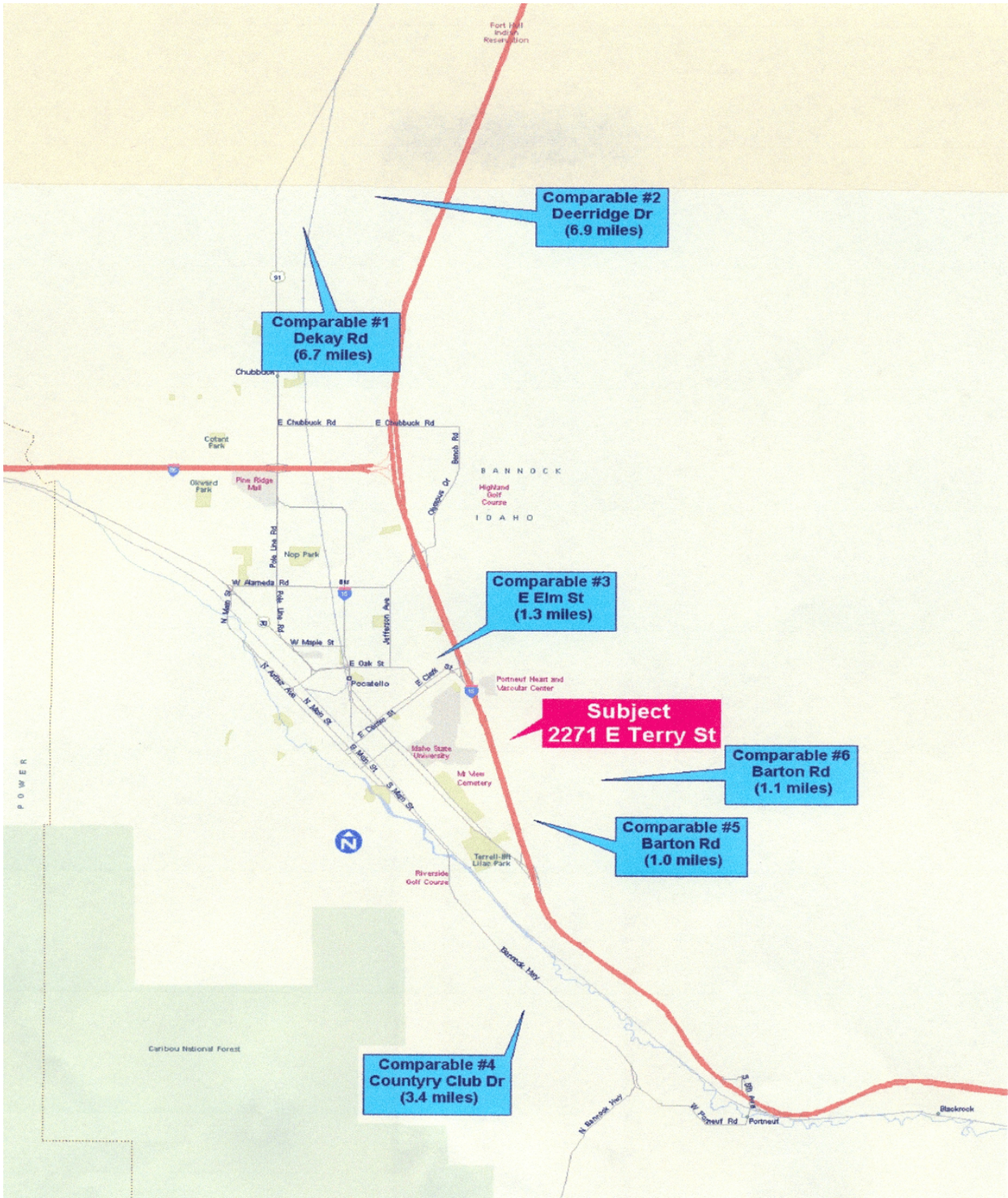


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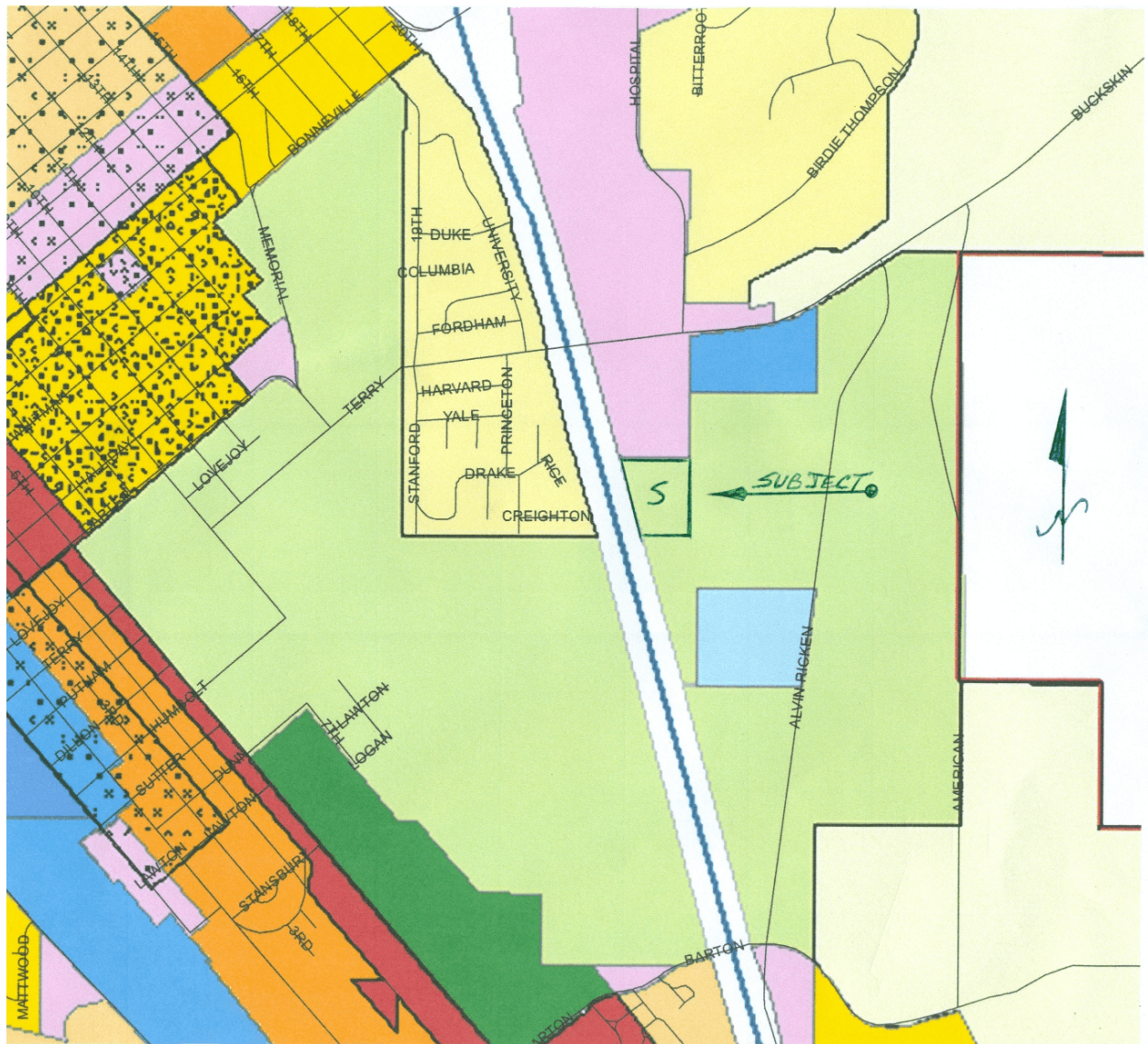
TOPOGRAPHIC MAP



COMPARABLE SALES LOCATION MAP

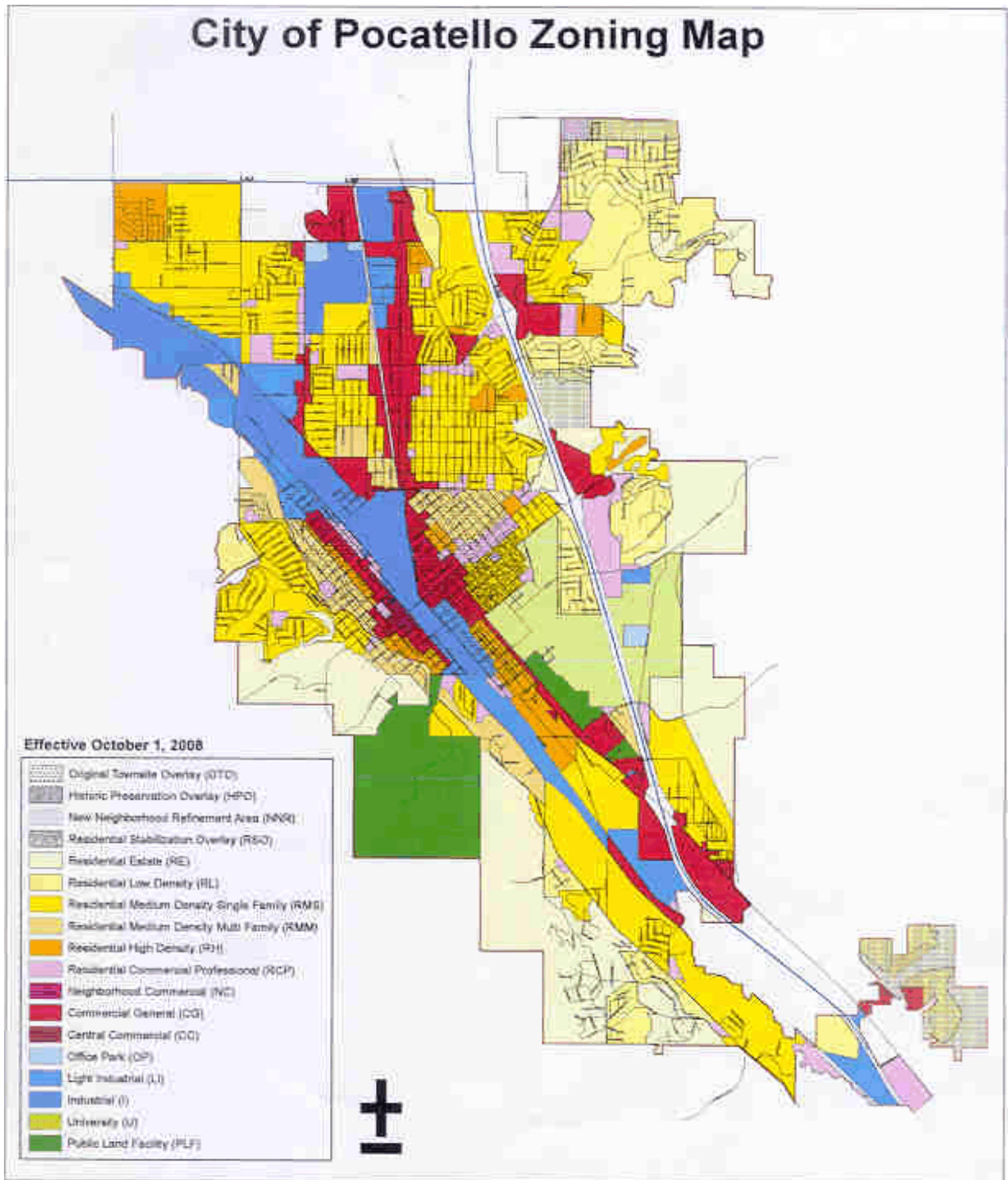


SPECIFIC SITE ZONING MAP



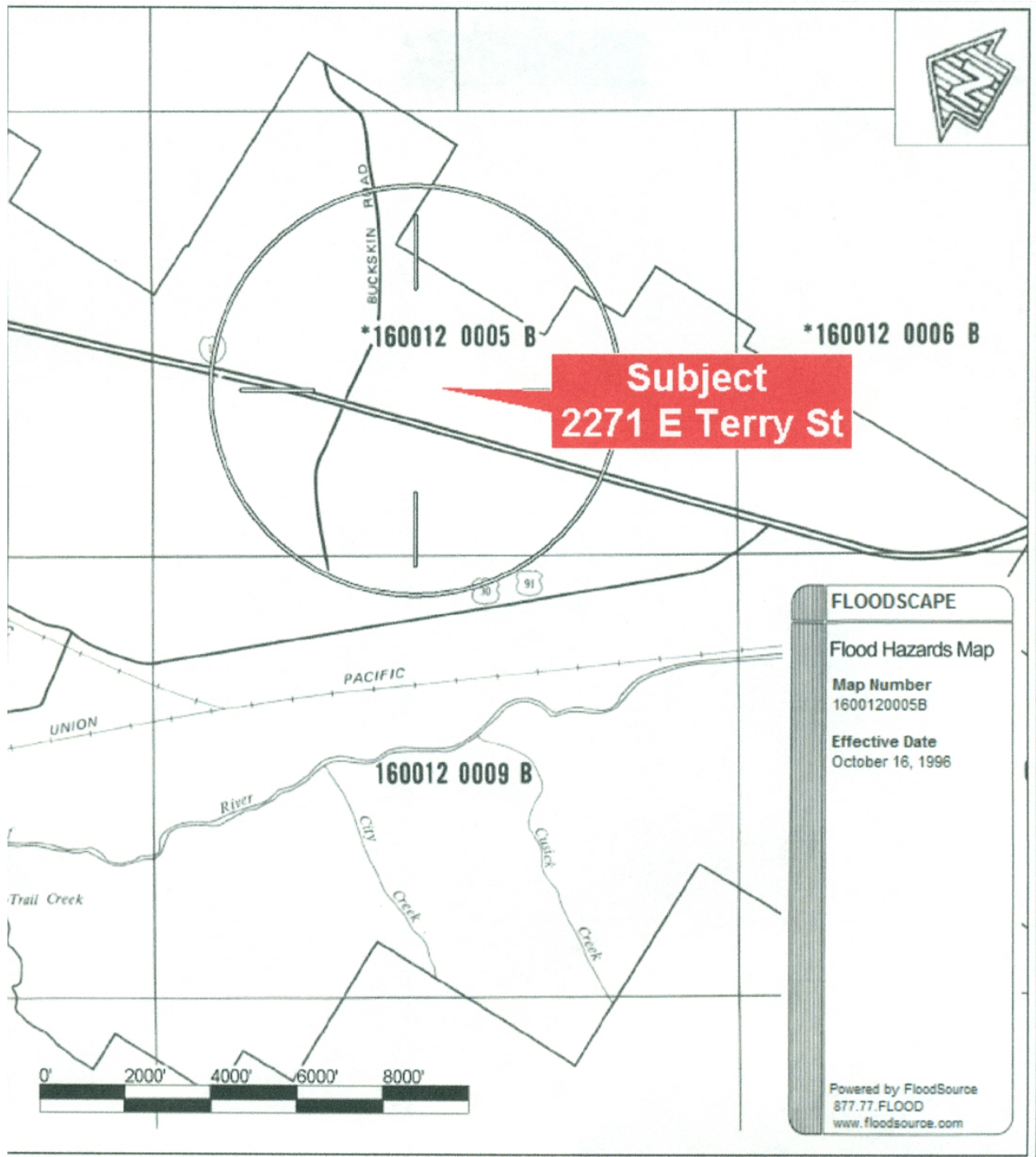
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POCATELLO CITY ZONING MAP



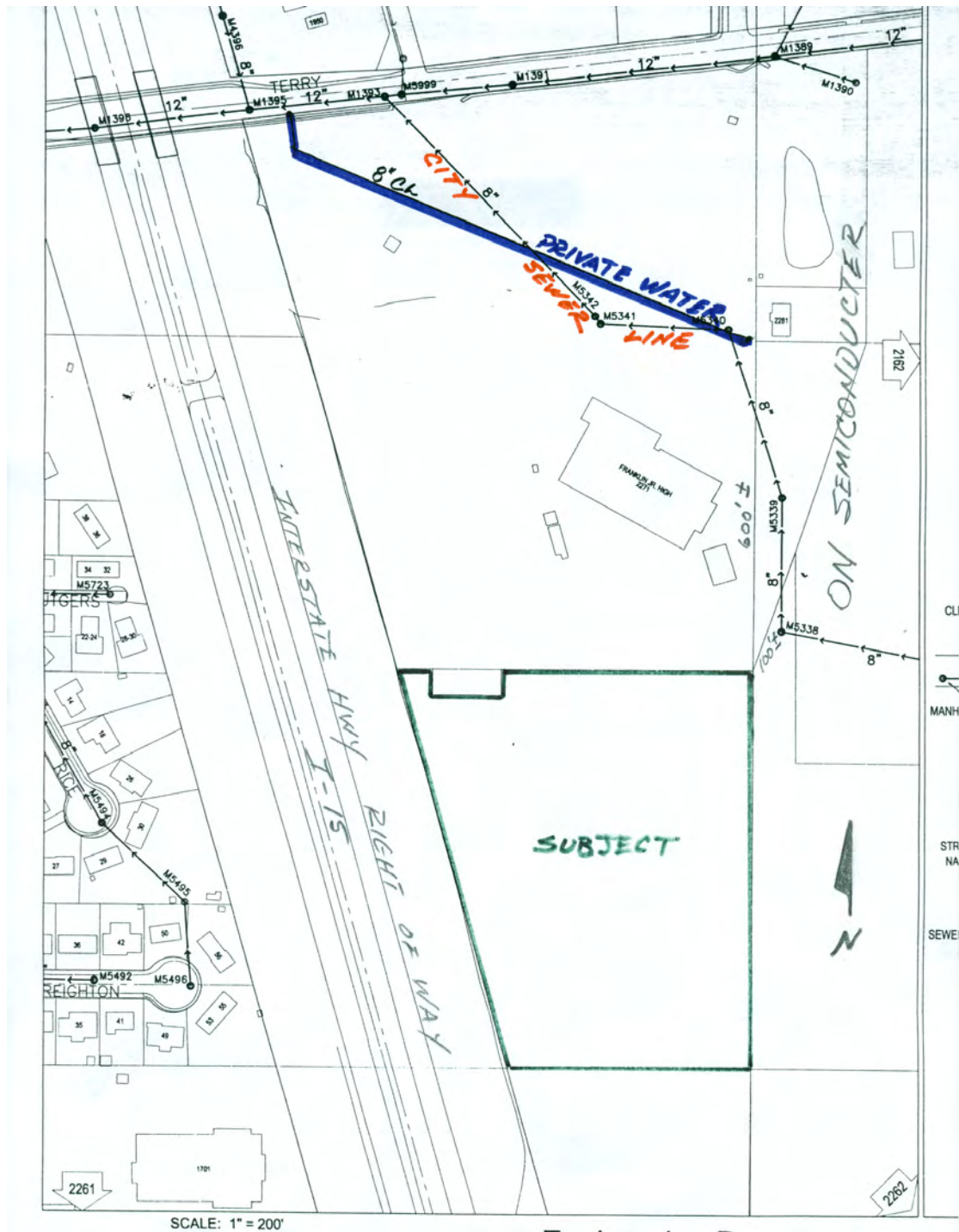
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FLOOD MAP



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PROXIMITY OF PUBLIC SEWER AND WATER



Paul Smith Agency

Commercial Land Size Adjustment Chart-2009 Small Acreage									
Sale No.	Sale Price \$	Size - Ac table ?	\$/Ac T-X	Size Factor	Adjust- ment	Indicated Unit Values \$/Ac			
Subject		8.76 Ac.	0.00	7952	100%				
1		7.30	0.00	8737	-9.0%	0.00			
2		5.11	0.00	10359	-23.2%	0.00			
3		5.64	0.00	9943	-20.0%	0.00			
4		12.00	0.00	6733	18.1%	0.00			
5		14.39	0.00	5773	37.7%	0.00			
6		8.00	0.00	8266	-3.8%	0.00			
7			??		??	ERR			
8			??		??	ERR			

Line Item Adjustments as % of time adjusted unit value

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Location	Poor	Fair -5	Fair -5	Fair - 5	Gd -15	Avg -10	Poor 0
Utilities	None	GP -5	GP -5	GPWS -10	GPWS -10	GPWS -10	Pwr -2.5
Frontage	None-P	A - 10	Fair -5	Fair - 5	A -10	A -10	P - 0
Access	None-P	F - 5	F -5	A -10	A -10	A -10	F -5
Size	8.68						
Topo	M/Slope	Flat	Flat	Slope	Slope	Slope	Slope
Zoning	U/RCP	CG +10	RS - 0	RMS -10	RMS -10	RMS -10	RR - 0
Other							
		-15	-20	-40	-55	-50	-7.5

Paul Smith Agency



**Pocatello
Chubbuck
School District 25**

**Maximizing Learning For All Students
Through Rigor, Relevancy and Relationships**

Whatever It Takes!

March 12, 2014

Idaho State University
President Arthur C. Vailas
Idaho State University
921 South 8th Avenue, Stop 8076
Pocatello, Idaho 83209-8076 USA

RECEIVED
MAR 13 2014
OFFICE OF THE
PRESIDENT
ISU

Dear President Vailas,

The Pocatello/Chubbuck School District No. 25 is appreciative of our recent meetings with you, Dr. Kent Tingey and other ISU personnel as we have entered into discussions regarding the potential purchase of undeveloped ISU property adjacent to Franklin Middle School.

The District is moving forward with its long-range facility planning recommendations to purchase a future elementary school site which would eventually replace Washington and Bonneville Elementary Schools. The ISU property of interest to the District would provide joint use of outdoor green space, track and football field areas, as well as facilitate bussing transportation for children at Franklin Middle School and a future elementary school.

Therefore, the Pocatello/Chubbuck School District No. 25 is formally requesting to purchase approximately 13 acres of ISU property located south of Franklin Middle School and as legally described in the revised February 20, 2014 appraisal completed by the Paul Smith Agency. The appraised value of the land is \$135,500.

We are grateful for your openness to contribute to our ability to identify and secure a future elementary school site.

Sincerely,

Mary M. Vagner
Superintendent

c. Bart Reed

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