



**STATE BOARD OF EDUCATION
TRUSTEES OF BOISE STATE UNIVERSITY
TRUSTEES OF IDAHO STATE UNIVERSITY
TRUSTEES OF LEWIS-CLARK STATE COLLEGE
BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO
STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION**

**APPROVED MINUTES
STATE BOARD OF EDUCATION
June 18-19, 2014
Eastern Idaho Technical College
Rooms 6163/6164
Idaho Falls, Idaho**

A regularly scheduled meeting of the State Board of Education was held June 18-19, 2014 at Eastern Idaho Technical College (EITC), Room 6163/6164 in Idaho Falls, Idaho.

Present:

Emma Atchley, President	Milford Terrell
Rod Lewis, Vice President	Bill Goesling
Don Soltman, Secretary	Richard Westerberg
Tom Luna, State Superintendent	

Wednesday, June 18, 2014

The Board met in rooms 6163/6164 at Eastern Idaho Technical College in Idaho Falls, Idaho. Board President Atchley called the meeting to order at 2:00 p.m. Mr. Terrell and Mr. Lewis arrived at 2:10 p.m.

BOARDWORK

1. Agenda Review / Approval

BOARD ACTION

M/S (Soltman/Goesling): To approve the agenda as amended adding the two executive session items. The motion carried unanimously 5-0. Mr. Soltman pointed out that the two items were not included in the original posting because Board staff was only made aware of the items after the agenda was posted; they are of a time sensitive nature. The agenda was amended and reposted on June 16, 2014. Mr. Terrell and Mr. Lewis were absent from voting.

APPROVED MINUTES

June 18-19, 2014

Mr. Luna also requested that the agenda be rearranged Thursday morning to cover the State Department of Education's items first, as it was necessary for him to leave the meeting early. There were no objections to reordering the agenda for Thursday's meeting.

2. Minutes Review / Approval

BOARD ACTION

M/S (Soltman/Westerberg): To approve the minutes from the April 16-17, 2014 regular Board meeting, the May 14-15 Board Retreat, and the June 2, 2014 special Board meeting as submitted. The motion carried unanimously 5-0. Mr. Terrell and Mr. Lewis were absent from voting.

3. Rolling Calendar

BOARD ACTION

M/S (Soltman/Goesling): To set May 20-21, 2015 as the date and Boise, Idaho as the location for the 2015 Board Retreat, and to set June 17-18, 2015 as the date and the College of Southern Idaho as the location for the June 2015 regularly scheduled Board meeting. The motion carried unanimously 5-0. Mr. Terrell and Mr. Lewis were absent from voting.

Dr. Goesling indicated the change to the May Board retreat dates would enable better Board member attendance at institution graduations.

CONSENT AGENDA

M/S (Soltman/Westerberg): To approve the Consent Agenda as presented. The motion carried unanimously 5-0. Mr. Terrell and Mr. Lewis were absent from voting.

Business Affairs & Human Resources (BAHR)

1. Boise State University – Revision to Law Enforcement Contract with Boise Police Department

BOARD ACTION

By unanimous consent to authorize Boise State University to enter into a revised law enforcement and security services annual contract with the Boise City Police Department with a retroactive effective date of October 1, 2013, in substantial conformance with the contract as presented in Attachment 1, and to authorize the vice president for finance and administration to execute the contract.

APPROVED MINUTES

June 18-19, 2014

2. University of Idaho – Land Lease with State of Idaho at the US Sheep Experiment Station

BOARD ACTION

By unanimous consent to approve grazing lease with the Idaho Department of Lands in substantial conformance to the forms submitted to the Board in Attachment 1, and to authorize the University's Vice President for Finance and Administration to execute such documents.

3. University of Idaho – Ellucian/Banner Software Maintenance Agreement Extension

BOARD ACTION

By unanimous consent to approve the request by the University of Idaho to extend a maintenance agreement with Ellucian for the University's Banner system in substantial conformance to the Proposed Maintenance Agreement Extension submitted to the Board in Attachment 1.

4. University of Idaho – Disposal of Real Property – Latah County

BOARD ACTION

By unanimous consent to approve the request by the University of Idaho to dispose of three (3) acres of undeveloped forest land for a selling price of \$33,000 and to pay transaction costs as set forth in the Purchase and Sale Agreement submitted to the Board; and further to authorize the Vice President for Finance and Administration, and Bursar of the University of Idaho to execute all necessary transaction documents for closing the sale.

5. University of Idaho – Building Management Services Contract for the Idaho Water Center

BOARD ACTION

By unanimous consent to approve the agreement between the University of Idaho and Oppenheimer Development Corporation, in substantial conformance to the form submitted to the Board in Attachment 1.

Planning Policy & Governmental Affairs (PPGA)

6. State Rehabilitation Council - Bylaws

BOARD ACTION

APPROVED MINUTES

June 18-19, 2014

By unanimous consent to approve the revised Bylaws of the State Rehabilitation Council as presented in Attachment 1.

7. State Rehabilitation Council – Member Appointment

BOARD ACTION

By unanimous consent to approve the appointment for Lucas Rose to the Vocational Rehabilitation State Rehabilitation Council as a representative for Business/Industry and Labor for a term of three years effective July 1, 2014 through June 30, 2017.

By unanimous consent to approve the appointment of Alison Lowenthal to the Vocational Rehabilitation State Rehabilitation Council as a representative for the Department of Education for a term of three years effective July 1, 2014 and ending June 30, 2017.

8. Indian Education Committee Appointments

BOARD ACTION

By unanimous consent to appoint Ms. Dani Hansing to the Idaho Indian Education Committee as the College of Southern Idaho representative, effective immediately and to conclude on June 30, 2018.

9. Boise State University – Alcohol Permit for 2014 Home Football Games – Stueckle Sky Center

BOARD ACTION

By unanimous consent to approve the request by Boise State University to allow the sale of alcohol in the Sky Center during the 2014 home football season, Famous Idaho Potato Bowl, the 2015 Spring Game, and potentially a conference championship game as set forth in this request, and in compliance with Board Policy I.J.

10. Boise State University – Alcohol Permit for 2014 Home Football Games – Caven Williams Complex

BOARD ACTION

By unanimous consent to approve the request by Boise State University to allow alcohol service during the 2014 football season in the Caven Williams Sports Complex as submitted in Attachment 2 and 3 and under the conditions outlined in Board Policy Section I.J. subsection 2.c.

APPROVED MINUTES

June 18-19, 2014

11. Idaho State University – Alcohol Permit for 2014 Home Football Games

BOARD ACTION

By unanimous consent to approve the request by Idaho State University to establish secure areas as specified in Attachment 2 and 3, for the purpose of allowing alcohol service during pre-game activities in full compliance with Board Police I.J. during the September 13, 2014 and November 22, 2014 Bengal home football games.

12. University of Idaho – Alcohol Permit for 2014 Home Football Games – Pre-Game Events

BOARD ACTION

By unanimous consent to approve the request by the University of Idaho to allow alcohol service during the 2014 football season in the North Kibbie Field, Student Activities Field, Idaho Commons Building and the Menard Law Building foyer under the conditions outlined in Board policy section I.J. subsection 2.c.

13. University of Idaho – Alcohol Permit for 2014 Home Football Games = Club Seating

BOARD ACTION

By unanimous consent to approve the request by the University of Idaho to allow alcohol service during the 2014 football season and during the spring 2015 football scrimmage, in the Lighthouse Center/Bud and June Ford Club Room located in the ASUI-Kibbie Activity Center under the conditions outlined in Board Policy I.J. subsection 2.c.

14. President Approved Alcohol Permits

A list of approved permits by Institution was included for review in the Board materials.

State Department of Education (SDE)

15. Request for Waiver of 103% Student Transportation Funding Cap

BOARD ACTION

By unanimous consent to approve Garden Valley School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2014 of 143% for a total of \$36,327 in additional funds from the public school appropriation.

APPROVED MINUTES

June 18-19, 2014

By unanimous consent to approve Highland School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2014 of 123% for a total of \$10,422 in additional funds from the public school appropriation.

By unanimous consent to approve Moscow School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2014 of 123% for a total of \$46,602 in additional funds from the public school appropriation.

By unanimous consent to approve Orofino School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2014 of 120% for a total of \$16,117 in additional funds from the public school appropriation.

By unanimous consent to approve Plummer-Worley School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2014 of 113% for a total of \$13,404 in additional funds from the public school appropriation.

By unanimous consent to approve St. Maries School District for a waiver of the 103% transportation funding cap, at a new cap percentage rate for the fiscal year 2014 of 108% for a total of \$11,945 in additional funds from the public school appropriation.

16. Transport Students Less Than One-and-One-Half Miles for the 2013-2014 School Year

BOARD ACTION

By unanimous consent to approve ninety-nine school districts (99) and ten (10) charter schools for approval to transport students less than one and one-half miles as listed in Attachment 1.

17. Professional Standards Commission Appointments

BOARD ACTION

By unanimous consent to appoint Donna Sulfridge as a member of the Professional Standards Commission, representing Elementary Classroom Teachers, for the remainder of a three-year term effective immediately and ending June 30, 2015.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. Eastern Idaho Technical College (EITC) – Progress Report

Dr. Steve Albiston welcomed the Board to EITC for the June meeting and provided a progress report of Eastern Idaho Technical College's strategic plan to the Board. He pointed out their strategic plan's point of interest and indicated that EITC is the only state supported stand alone postsecondary professional technical college in Idaho. He reported that their strategic plan is in alignment with the Board's strategic plan and they are revising their plan to align with the expectations of the Northwest Commission of Colleges and Universities (NWCCU) in support of EITC's mission, vision, and core themes. The revised plan will be submitted to the Board in April 2015.

He remarked on the importance of adult basic education (ABE) services to EITC's strategic plan. He pointed out that EITC has reached all of the state academic targets for ABE students during this past year. He commented that the retention of students is also important to their strategic plan, and EITC continues to reach over 80% of full time students returning; their benchmark is 85%. EITC's training and positive placements rates have also increased. They are short of meeting their benchmark, but the trend shows an upward slope. Dr. Albiston reviewed FY2013 enrollment numbers, pointing out the number of student enrollment in tech prep has piqued and is trending downward.

Fall 2013 enrollment by division is in three main areas which include business, office and technology; health professions; and trades and industry. Dr. Albiston shared the age ranges of students attending EITC with the main group being around 27 years old. He also pointed out well over half of EITC students are female. Special programs include a fire service technology program transferred to EITC. He highlighted a few points from their special/health programs, and indicated the Accreditation Review Council on Education in Surgical Technology and Surgical Assisting approved the EITC surgical technology core curriculum. Also, their medical assisting AAS accreditation was reaffirmed. He also shared a short video.

Related to economic development, EITC plays an important role in growing Idaho Falls. He commented on some of EITC's collaborations with groups such as Doug Andrus Distribution, Idaho State University, and the University of Idaho.

Ms. Atchley asked for more information on the advanced manufacturing. Dr. Albiston responded that it will focus on fabrication manufacturing.

2. President's Council Report

Dr. Bert Glandon, President of the College of Western Idaho, provided a report to the Board on the Council's meetings from May 6 and June 3, 2014. He chaired the June meeting for Dr. Dunlap. Dr. Glandon reviewed the discussion items from the two meetings which included the Albertson's Foundation Continuous Enrollment Project, legislative ideas which included a recommendation for a placeholder for the autonomy bill to allow for the four-year institutions to opt out of the risk management pool, and the use of state HR services. The Smarter Balanced Assessment Consortium (SBAC) was discussed and it was decided the item should be reviewed by both CAAP and IRSA

committees. The fourth discussion item was regarding the JFAC tour and workforce development panel. The fifth discussion item was related to the state contract for management learning systems.

Dr. Glandon indicated the informational items included an announcement that the State Higher Education Executive Officers (SHEEO) would be meeting in Boise July 7-11, and encouraged presidents to attend portions of that meeting. He reported that Idaho BS degree production is now at 26%, associate's degrees at 10%, and those achieving a certificate are at 5%. The third information item was that the Northwest Accrediting Association expressed concern that the Board policy measuring credit transferability may be out of compliance with the Northwest Commission on Colleges and Universities (NWCCU) expectations. The IRSA Committee will be reviewing this item.

Mr. Terrell asked about credit transferability for students from community colleges to any of the other institutions, indicating he has received some complaints that credits are not being transferred. He indicated those students were military students. Dr. Glandon responded that the question of the courses transferring is no issue. The issue is where the credits transfer in relation to the degree. Dr. Kustra offered some additional remarks on the situation. Dr. Schimpf responded that the articulation agreements are still being developed and in some cases the learning outcomes from one course are not at the level required for the other program. Mr. Terrell requested that contact information be sent to Dr. Rush from all the institutions related to this matter.

3. Idaho Public Television (IPTV) Annual Report

IPTV General Manager Ron Pisaneschi, provided a report to the Board. Mr. Pisaneschi provided an overview of the program structure of IPTV that included a summary of the statewide delivery system and the educational content. Related to content and services, they are proud to report they are the #1 most viewed PBS station per capita. On-line access via desktop and mobile devices is becoming a more popular trend, but video viewing is still mostly done via television. He reported on IPTV's awards, which includes 45 national and regional awards so far in 2014. *Outdoor Idaho* continues to be one of the most popular programs viewed. He remarked on a critical success factor being high quality programs.

One of IPTV's goals for the next year is to grow endowment to \$5 million by the end of 2015. They are currently at over \$4 million. Mr. Pisaneschi reported on some of their content partnerships which include relations with Idaho universities, K-12 overnight and the learning channel, weekly children's education content, and on-line resources for teachers and students. There are 70,000+ free resources available to classrooms in Idaho. IPTV is also part of the EPSCoR project and provides media and training for scientists, along with other services. IPTV has also recently been involved in the *Educate Idaho* initiatives. He reviewed many of IPTV's local productions and shared a short video clip on the science series for children. They also provide video streaming and archiving for *Idaho in Session* for the legislative session.

Mr. Pisaneschi reviewed IPTV's budget and FY 2015 appropriations. One of the issues facing them is that funding levels are where they were at 15 years ago. FY 2014 includes a \$400K shift from one time capitol funding into ongoing OE expenses. Risks to IPTV include they have \$24 million in state assets and already \$17 million of it is depreciated.

Mr. Pisaneschi reviewed their highly complex delivery system and where the transmitters are located. Some of their challenges include equipment reaching its "end of life," so lease payments will increase substantially. He reviewed the fact that congress authorized the FCC to have a spectrum auction. This is important because the FCC will find new channels and pay costs of channel changes for transmitters but not translators. He pointed out additional challenges from this auction/repacking situation, including that translators are not subject to funding by the FCC. Additionally, the new translator frequencies are not guaranteed – transmitter moves can bump translators. This could result in there may not be enough channels to go around. He reported that part of the FY 2016 budget request includes seeking staffing and start up funding for the first three years for *The Idaho Experience* and they intend to raise private funds to take over operational costs thereafter.

Mr. Lewis asked if the Board may help with the criteria for the *Idaho Debates* in the future. Mr. Pisaneschi indicated it would be possible and they would welcome the assistance. Mr. Lewis recommended a Board member or a staff member work more closely with IPTV on the debate criteria in the future. Ms. Atchley indicated they would take that suggestion under advisement.

4. Albertson's Foundation – Continuous Enrollment

Mr. Westerberg introduced Dr. Bruce Schultz from the J.A. and Kathryn Albertson Foundation (Foundation) who presented a report on the Continuous Enrollment Initiative Project (Project) to the Board. Dr. Rush pointed out that the project that will be described directly addresses the Board's initiative and goals, particularly the Board's 60% goal.

Dr. Schultz indicated the Guided Pathways to Success project was initiated in 2011 with five Idaho community and technical colleges. He discussed the results of the three year project, indicating that the goal of the initiative was to test new ways to help non-traditional students to succeed. The approach was to provide intense personal academic advice and counsel, to teach college navigational skills, to match students with trained peer mentors, to group students together in learning communities, and to constantly monitor success. They also provided accelerated remediation in courses such as math and English.

Dr. Schultz introduced Jody Woodhouse, a nontraditional student in the program, who provided some remarks about the program. Mr. Woodhouse extended heartfelt thanks for the program, the scholarship opportunities, and indicated that he is now a mentor for

APPROVED MINUTES

June 18-19, 2014

the *Connects to Success* program. He remarked on the relationships with the instructors and the structure a cohort provides.

Dr. Schultz provided some recommendations on behalf of the Foundation that included funding incentives; that students can complete as soon as possible at the lowest cost possible to help address student debt; that an inventory of current student recruitment approaches are taken to determine whether they hinder access to underserved and non-traditional students; that support practices are adopted and embedded through Idaho's higher education system; and that more private-public partnerships are developed to provide student scholarships, internships and other opportunities.

Mr. Soltman asked if the program would continue on in some form. Dr. Schultz responded they are in a three year funding cycle presently and the short answer is yes. Dr. Goesling asked how the success stories are being shared throughout the institutions. Dr. Schultz responded that they have invested in media production to share and demonstrate outcomes of certain practices. He remarked on the interest by the institutions to increase opportunities for non-traditional students.

Mr. Terrell thanked Dr. Schultz for providing this information and expressed real appreciation for this project. Ms. Atchley thanked the Albertson's Foundation for their efforts to improve Idaho's education and expressed appreciation for their support and work. Mr. Westerberg pointed out that there are line items in the BAHR agenda that support this program.

5. 2015 Legislative Ideas

BOARD ACTION

M/S (Westerberg/Soltman): To approve the legislative ideas as described with the exception of item 6 and item 9 and to authorize the Executive Director to submit these and additional proposals as necessary through the Governor's legislative process. The motion carried unanimously 7-0.

M/S (Goesling/): To include as a legislative idea for this coming legislative season the concept for ongoing deferred maintenance costs. Motion withdrawn.

M/S (Goesling/): To include as a legislative idea for this coming legislative season the recommendations from the Albertson's Foundation as presented earlier. Motion withdrawn.

Mr. Westerberg indicated to the Board why he exempted items 6 and 9 from the motion. Dr. Goesling asked for discussion on deferred maintenance and requested it as one of the legislative ideas. Mr. Freeman confirmed that during the BAHR agenda they would discuss line item requests which includes a \$10 million request related to deferred maintenance.

Dr. Goesling urged the Board to consider the recommendations heard earlier from the Albertson's Foundation be made part of the legislative ideas. Mr. Westerberg pointed out that the line item requests from the community colleges include requests to grow that program. Ms. Atchley reminded the Board that the legislative ideas items would be developed further and returned to the Board in the future.

Ms. Bent from the Board office provided descriptive summaries of the ten (10) legislative ideas that are being proposed:

1) 8 in 6 Program

A technical change that adds clarification that the Bureau of Indian Education (BIE) schools in Idaho may participate in the 8 in 6 Program as long as all other eligibility requirements are met. Currently the BIE oversees two schools in Idaho; the Shoshone-Bannock Jr./Sr. High School and the Coeur d'Alene Tribal School.

2) Workforce Reporting

This legislative Idea would be developed in conjunction with the Department of Labor and would require employers to report occupancy codes and number of hours worked. Should this legislation pass, Board staff would be able to report the number of students graduating from our public institutions that work in their specific field as well as determine if they are working full-time or part-time. Currently the data is limited to the Industry Code, which only allows us to determine if graduates are working at a company that that is in their field of study, and not if the actual position they hold is relevant to their degree or certificate.

3) State Residency for Tuition Purposes

This section has been amended several times over the year to address specific issues. This amendment would streamline the process for determining residency for tuition purposes and to specify that all students who graduate from an Idaho high school and attend a public postsecondary institution within a specified timeframe would be eligible for in-state tuition.

4) Nursing Education Program Approval

This includes an amendment to language that removes the requirement that the Board must approve in curriculum change in a nursing program (private or public) that may alter existing articulation agreements between educational institutions. The Board would continue to approve program changes at the public institution as specified in Board policy.

5) Charter School Financial Support

This change will affect the authorizer fee formula. This past legislative session there was legislative interest in appropriating General Funds to supplement the Public Charter School Commission's (PCSC) FY 2015 budget. However, since the authorizer fee is calculated off of "all moneys appropriated," an additional appropriation of General Funds would have also resulted in an increase in the authorizer fee the following year. The proposed legislation would amend the authorizer fee formula to include only those funds

appropriated from the Public Charter School Authorizers fund rather than all appropriated moneys. The proposed amendment would also change the authorizer fee payment deadline from February 15 to March 15. Data needed to calculate the fee are not typically available from the State Department of Education in time to invoice the schools and receive payment by February 15.

There were questions related to the charter school funding and how the authorizer fees are calculated. Mr. Freeman clarified that the intent of the legislation is to decouple the funding sources and explained the changes. Mr. Freeman pointed out there is not a direct fiscal impact from it. He clarified that if the legislation were to pass and if there were state general funds appropriated to the PCSC, there would not be a resulting fee increase to the schools, which is what they are trying to accomplish.

6) Proprietary School Registration

This is a change that would clarify that proprietary schools which do not collect any tuition or fees up front (only until after instruction has been provided) would be exempt from the surety bond requirement.

Mr. Lewis asked for clarification of this item and what the surety bond covers. Ms. Bent clarified the details of the item and indicated the surety bond covers the costs to the students should the school go out of business before the program is completed. Dr. Rush pointed out that there is not a quality component in place now to protect students and this is intended to help with these rare situations. Mr. Lewis recommended talking in the future about protecting the rights of students.

The meeting took a 10 minute break.

7) Transfer of Surplus Property

This change amends language to include property owned by the State Board of Education to the list of exempt property. This would clarify that the Board would not have to go through the Land Board process when disposing of surplus property. Section 33-107, Idaho Code already gives the Board the authority to “acquire, hold and dispose of title, rights and interests in real and personal property.”

8) Risk Management – Opt Out

Last year the Board ran legislation that would allow the four-year institutions to opt-out of state administrative services. While the bill did not pass as a total package, there was some support for the individual components of the bill. This proposal would use the language developed as part of last year’s University Administrative Flexibility bill regarding Risk Management and would allow the institutions to opt out of state Risk Management.

9) Human Resource Services – Opt Out

Last year the Board ran legislation that would allow the four-year institutions to opt-out of state administrative services. While the bill did not pass as a total package, there was some support for the individual components of the bill. This proposal would use the

language developed as part of last year's University Administrative Flexibility bill regarding State Human Resource Services and would allow the institutions to opt-out of these services.

Dr. Goesling asked if this would require additional funding at the institutions in the form of hiring additional personnel to support these functions. Ms. Bent clarified that the institutions are already fully staffed in the Human Resource department, and in some sense there is a duplication of efforts with services provided by the state. Mr. Westerberg provided some additional clarification for items 8 and 9.

10) Governor's Task Force Recommendations

These are recommendations made by the Governor's Task Force on Education and amendments would be made to the education support program in Title 33, Chapter 10 to establish a funding model for school districts for certificated staff that would be variable based on a three tiered system. Initial estimated cost is approximately \$250 million. The current implementation plan envisions a 5-6 year phase-in of approximately \$40 million per year.

11) Contract Category Timing

This would align current Idaho Code regarding the timing of eligibility for teacher continuing contracts with timing for eligibility for tier 2 (professional tier) on the proposed tiered certification model.

12) Additional Legislative Ideas from Subcommittees

A place holder for additional legislative ideas developed by the subcommittees was established to implement the recommendations of the Governor's Task Force. Currently the subcommittees are exploring possible legislation on:

- Streamline and consolidation of advanced opportunities statute
- Modification to the strategic planning statute
- Consolidation of reporting requirements
- Funding model
- Counseling/Advising

6. Institution/Agency Strategic Plans

BOARD ACTION

M/S (Westerberg/Terrell): To approve the 2015-2019 (FY2016-FY2020) Institution, Agency, and Special/Health Program strategic plans as submitted. The motion carried unanimously 7-0.

Mr. Westerberg indicated the attached strategic plans include the updated plans submitted by the institutions as well as the agency and special and health programs strategic plans submitted to the Board in April.

Mr. Lewis recommended not having to digest all the strategic plans at once and recommended looking for a way to break up the portions into more manageable portions. Mr. Westerberg responded that PPGA would try to address that task and provide the institutions plans with the attention they deserve.

7. Amendment to Board Policy – By-Laws – First Reading

BOARD ACTION

M/S (Westerberg/Goesling): To approve the first reading to Board Bylaw and the Audit Committee Charter, as presented in Attachment 1 and Attachment 2, respectively. The motion carried unanimously 7-0.

Ms. Bent reviewed the item and stated there were a few edits to this policy based on the discussion with the Board during the February meeting. Staff has done a thorough review of the entire bylaws and the proposed amendments take into consideration the comments from the Board during the February Board meeting; the amendments proposed by the Audit Committee; and additional amendments that clean up existing language in the bylaws and remove sections that are already specified in Idaho code. Ms. Bent reviewed the changes in their entirety for the Board. The details of the policy changes were included the agenda materials for thorough review by the Board members.

Mr. Lewis expressed concern about there being a specific number of members required for a quorum instead of “the majority”. Dr. Rush indicated that previous Board legal counsel had done a fair amount of research on the language, and there was a strong reason for suggesting that the courts would interpret the current statute to mean that a quorum is not less than five Board members.

Mr. Lewis also suggested that the Board President should determine the location of the Board meetings rather than the Board or the executive director.

Mr. Lewis asked about the level of vote required for certain motions. Dr. Rush clarified that *Robert’s Rules of Order* provides clarity on different levels of voting. Mr. Lewis felt that the Board should specify what kinds of actions require what level of vote. Ms. Atchley asked if there are situations that require a 2/3 vote. Mr. Westerberg pointed out that this is a first reading and the concerns of Mr. Lewis would be addressed.

Mr. Lewis wanted to also ensure the Board had the ability to hire and fire the independent auditors, and recommended that the Board clarify that it shall be the approving body for hiring independent auditors.

Mr. Lewis also asked why the Executive Committee was removed. Mr. Westerberg indicated it has not been used in several years, and cautioned on the dangers of having a committee of only four members. Mr. Lewis was in agreement with its removal.

8. Amendment to Board Policy – Section I.R. Security – Second Reading

BOARD ACTION

M/S (Westerberg/Soltman): To approve the second reading of Board Policy I.R. as submitted in Attachment 1. The motion carried unanimously 7-0.

9. School District Model Data Security Policy

Ms. Bent provided a brief review of Senate Bill 1372 which was passed during the 2014 legislative session. This bill created Section 33-133, Idaho Code. Pursuant to Idaho Code, the State Board of Education is required to develop a model policy for school districts and public charter schools that will govern data collection, access, security, and use of such data. Passage of this item in August will bring the State Board into compliance with state law and provide school districts and public charter schools with the required policy to be in compliance with state law.

Ms. Atchley requested Carson Howell provide an update on status of the model policy. Mr. Howell responded that they have received feedback from various entities and are presently compiling that information for presentation to the Board in August.

10. University of Idaho – Faculty Staff Handbook Amendment – Faculty Rank/Promotion

BOARD ACTION

M/S (Westerberg/Goesling): To approve changes to University of Idaho faculty policies as set forth in the materials submitted to the Board. The motion carried unanimously 7-0.

11. University of Idaho – Faculty Staff Handbook Amendment – Faculty Constitution

M/S (Lewis/Terrell): To support the president, Dr. Staben, in his authority in making decisions in this matter. Motion withdrawn.

Mr. Westerberg requested unanimous consent to defer any action on this item to tomorrow morning's meeting. There were no objections.

BOARD ACTION (Thursday, June 18, 2014)

M/S (Westerberg/Lewis): To support the alternative language proposed by the University Administration relating to matters as set out in PPGA Tab 11, page 3. The Board states its concern for the changes proposed by the University of Idaho Faculty Senate for insertion in Article IV of the University of Idaho Constitution of the University Faculty and University policy in Faculty Staff Handbook 3160. The motion carried unanimously 7-0.

Dr. Staben and Kent Nelson from the University of Idaho provided a recap for the Board on this information item. Dr. Staben pointed out there are two related changes, one to the faculty constitution which must be approved by the Board, and one change to policy. The changes are strongly supported by the Faculty Senate and ensure academic freedom in faculty governance.

Dr. Staben indicated they do have reservations to the policy, and the change to the Faculty Constitution. They proposed an alternative to the faculty which is included in the agenda materials. That alternative was unable to receive a second vote when discussed at the Faculty Senate. He indicated they wanted the Board to be aware of the item and also seeks its input. Dr. Staben indicated that in terms of process, he has 60 days to approve or disapprove the changes after the vote of the Faculty Senate. If the changes are approved, they will go before the Board at the next meeting. If they are disapproved, they go through a different process at the campus.

Dr. Staben pointed out some of the concerns, indicating it allows faculty the ability to discuss policy and governance without any restraint, which in turn could be disruptive. Dr. Staben felt this rule does not serve the faculty well. He felt they should be able to voice their opinions in an appropriate way, but he felt this may disrupt their own governances. Mr. Westerberg also pointed out it shields individuals from disruptive actions. Mr. Lewis asked if the Board should pass a motion in support of the president in this specific matter.

Dr. Goesling requested additional comment from Dr. Staben. Dr. Staben responded that he could approve this policy and leave it to the Board for decision, or disapprove this policy. He indicated it is a difficult choice in either potentially alienating the Board or alienating his faculty. Mr. Lewis further explained his motion in that he wants to show the institution president Board support for his decision making authority.

Mr. Westerberg recommended a revised motion on this item at the start of Thursday's meeting and to defer any action until that time. There were no objections.

12. Temporary/Proposed Rule – School District Strategic Planning

BOARD ACTION

Mr. Westerberg requested unanimous consent to defer the action on this item until tomorrow morning at the beginning of the meeting. There were no objections to the request.

BOARD ACTION (Thursday, June 18, 2014)

M/S (Westerberg/Soltman): To amend subsection 02. Reimbursement Eligibility of the temporary proposed rule as follows:

APPROVED MINUTES

June 18-19, 2014

- **To add a requirement to subsection b. Documentation of Training to require validation of training attendance;**
- **To specify that the requirement in subsection c. Format, that the majority of the Board members attend the training, only applies to strategic planning training; and**
- **In subsection d. Trainer Qualifications, to reduce the required years of experience to two years.** The motions carried unanimously 7-0.

AND

M/S (Westerberg/Soltman): To approve the temporary proposed rule as amended. The motions carried unanimously 7-0.

Ms. Bent provided an explanation of the temporary rule, that if approved will provide school districts and charter schools with the information they need to hire eligible trainers to conduct their professional development and develop their strategic plans in an attempt to meet the September deadline. In the statute, the Board is required to maintain a list of qualified trainers, which will be located on the Board's website. Feedback from the School Boards Association indicated they are uncomfortable with the three year experience requirement and would prefer that it be one year. She also pointed out that with this temporary rule, the official public comment period has not been observed. The Board would not be able to amend it until it is a pending rule. This means that if the rule is amended at a later date, it could cause problems for districts if a trainer was hired that didn't meet revised qualifications.

Mr. Luna expressed concern about the temporary rule going into effect so quickly. He expressed concern specifically with the language that the majority of the School Board members need to be present in order to receive reimbursement. He felt it seemed logical related to strategic planning but not necessarily to training given that there may be new school board members. He commented that the three year experience level may need to be set lower as well. He pointed out that he would like to see some sort of validation that if a district is being reimbursed for training, that they actually had participated in the training. His clarified that just registering for the training is not enough to qualify for reimbursement. The trainer should have some sort of sign off on the training. Ms. Bent responded that there have been discussions with legislators and other individuals and their intent was that the training would be more than just conference-style training – the training would be specific to the district and individual needs. Additionally, the three year requirement was based on the suggested level of quality of trainers. Mr. Luna suggested that the annual School Boards Association meeting would be a good resource for training.

Ms. Bent recommended an amendment to section 2.D.ii., that they have "X" number of years, and that the "majority of board members preset" sentence would be removed. Mr. Luna expressed that two years is a reasonable number, but is concerned about the feedback on the limited number of trainers that would meet that qualification. He recommended the language be were revised to say one year for 2014-2015 and two

APPROVED MINUTES

June 18-19, 2014

years thereafter. Mr. Westerberg felt one year would be too low of a hurdle. There was a short amount of additional discussion. Mr. Westerberg recommended a revised motion on the item at the start of Thursday's meeting and to defer any action until that time. There were no objections.

EXECUTIVE SESSION (Closed to the Public)

1. Boise State University

BOARD ACTION

M/S (Lewis/Soltman): Pursuant to Idaho Code section 67-2345 to convene in Executive Session to:

1. **Consider personnel matters under subsection (1)(a); and to**
2. **Deliberate regarding the acquisition of an interest in real property under subsection (1)(c); and to**
3. **Consider records that are exempt from public disclosure under subsection (1)(d); and to**
4. **Communicate with legal counsel regarding litigation under subsection (1)(f).**

A roll call vote was taken and the motion carried unanimously 7-0.

BOARD ACTION

M/S (Westerberg/Luna): To go out of Executive Session at 6:47p.m. The motion carried unanimously 7-0.

Thursday June 18, 2014, 8:00 a.m., Eastern Idaho Technical College, Room 6163/6164, Idaho Falls, Idaho.

The Board reconvened at EITC for regular business. Board President Emma Atchley called the meeting to order at 8:30 a.m. MST and thanked EITC for its hospitality. Ms. Atchley indicated today's agenda would be altered to consider PPGA items 11 and 12 from yesterday's agenda. Those items would be addressed first, then the agenda would move to the State Department of Education portion.

President Atchley presented Board member Soltman with an honorary gavel for his service on the Board, and as past Board President. She also presented Board member Terrell with an honorary plaque for his service on the Board for the last 13 years, from 2003-2014. Mr. Terrell is resigning from the Board effective June 30, 2014. Mr. Terrell offered remarks of great appreciation for his service on the Board, for the tremendous work of the Board staff, and the good work, goals and achievements of the State Board of Education. He encouraged Board members to continue to work thoughtfully for the good of the children in Idaho.

APPROVED MINUTES

June 18-19, 2014

Mr. Lewis expressed a heartfelt thanks to Mr. Terrell for his years of service on the Board, and the privilege of working with him. He remarked on Mr. Terrell's ability to get to the bottom of issues in a tactful, thoughtful, and determined way.

At this time, the Board revisited items 11 and 12 from the Planning, Policy and Governmental Affairs portion of the agenda from yesterday's meeting, after which it moved to the State Department of Education's agenda items.

[For meeting minute and context purposes, the discussion and subsequent motions on PPGA items 11 and 12 remain in order with the agenda.]

STATE DEPARTMENT OF EDUCATION

1. Superintendent's Update

Superintendent Tom Luna provided an update from the State Department of Education. He remarked that the first wave of the Smarter Balanced Assessment Consortium (SBAC) field testing is complete. They surveyed and have received around 11,000 responses and those results are being compiled presently. The testing went well and there were very few technical glitches. The students were exposed to the test and initial responses have been very positive. Responses included that the students were more engaged than on a multiple choice test and they liked being able to explain and work through their answers. There is still concern about the length of the test with the school schedule. The largest challenge has been coordinating students in and out of the testing lab. He encouraged Board members to visit schools and talk to administrators.

Mr. Luna also reported on the second year of technology grants for one-to-one technology. The reports on success have been positive. There have been 99 applications totaling \$26 million and there is \$3 million left to distribute. Mr. Luna commented that it is obvious there is a demand for one-to-one technology, and that the technology is having a positive impact.

Mr. Luna reported on tiered licensure and he reported they have one more meeting scheduled with the committee. They are beginning the work on literacy and will be making future reports to the Board.

Ms. Atchley asked about concerns for young students and keyboarding skills. Mr. Luna remarked that adults responded that it is a problem, but student responses were different, and pointed out that it was not a problem such as was reported by parents. The students did not report that keyboarding is a struggle.

2. ESEA Waiver Amendment

BOARD ACTION

APPROVED MINUTES

June 18-19, 2014

M/S (Luna/Terrell): To approve Idaho's application for the ESEA Flexibility Waiver amendment as submitted in Attachment 2. The motion carried unanimously 7-0.

Mr. Luna introduced the item indicating the Department has worked with representatives from the US Department of Education to find appropriate solutions to the peer review findings. He indicated they believe the changes to the waiver will make it better for Idaho. Mr. Soltman asked what would happen if the amendments were not approved. Mr. Luna explained that would result in a default of the waiver, and result to resorting back to *No Child Left Behind* conditions. 100% of the schools would not be making AYP and there would no longer be a five star rating system. Drastic changes would result at the schools. Mr. Soltman asked how long they will be operating on waivers. Mr. Luna responded as long as they are required and the law is reauthorized.

Ms. Atchley pointed out a typographical error in the second paragraph on p. 278 of the agenda materials, where the second half of the paragraph was duplicated.

OPEN FORUM

Ms. Carol Perry addressed the Board expressing public concerns regarding postsecondary and advanced opportunities. She named several reasons to not pass the amendment on tech prep today, which is Board Policy Section III.Y., Advanced Opportunities. She felt the changes to the policy would only cause confusion for students and parents. She remarked on articulation difficulties between institutions, the shelf life of the credits, and the matriculation language contained in the policy. She felt there would be unnecessary hurdles placed in front of students and expressed concern for military students and how changes to this policy would affect them.

BUSINESS AFFAIRS & HUMAN RESOURCES (BAHR) Section I – Human Resources

1. Chief Executive Officer Employment Agreements/Terms

BOARD ACTION

M/S (Lewis/Terrell): To approve the amended employment agreement for Dr. Robert Kustra as President of Boise State University. The motion carried unanimously 7-0.

M/S (Lewis/Terrell): To approve the amended employment agreement for, Dr. Chuck Staben as President of University of Idaho. The motion carried unanimously 7-0.

M/S (Lewis/Terrell): To approve the amended employment agreement for Dr. Art Vailas, as President of Idaho State University. The motion carried unanimously 7-0.

APPROVED MINUTES

June 18-19, 2014

M/S (Lewis/Terrell): To approve the amended employment agreement for Dr. Tony Fernandez as President of Lewis-Clark State College. The motion carried unanimously 7-0.

M/S (Lewis/Terrell): To approve the amended term sheet for Dr. Steve Albiston as President of Eastern Idaho Technical College. The motion carried unanimously 7-0.

M/S (Lewis/Terrell): To approve the amended term sheet for Dr. Mike Rush as Executive Director of the Idaho State Board of Education, to authorize a one-time bonus in the amount of \$3,000, and to approve an hourly rate of \$60.60 (annual salary of \$126,048). The motion carried unanimously 6-0. Mr. Luna was absent from voting.

Mr. Lewis pointed out that with regard to the Executive Director's term sheet, it is being discussed with the Governor's office and would return to the Board at a later time. Just after lunch, they passed the motion on Dr. Rush's term sheet.

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

BOARD ACTION

M/S (Lewis/Goesling): To approve the first reading of Board Governing Policy and Procedures II.H., Coaches and Athletic Directors, with all revisions as presented. The motion carried unanimously 7-0.

M/S (Lewis/Soltman): To approve the amendments to the model coach's contract as submitted. The motion carried unanimously 7-0.

3. Boise State University (BSU) – Multi-Year Employment Agreement – Head Men's Basketball Coach

BOARD ACTION

M/S (Lewis/Terrell): To approve the request by Boise State University to enter into a revised five-year employment agreement with Leon Rice as Head Men's Basketball Coach for a term expiring on March 31, 2019 at a base salary of \$596,573 and such base salary increases and supplemental compensation provisions in substantial conformance with the terms of the agreement set forth in Attachment 3. The motion carried unanimously 7-0.

4. Boise State University (BSU) – Multi-Year Employment Agreement – Head Women's Tennis Coach

BOARD ACTION

APPROVED MINUTES

June 18-19, 2014

M/S (Lewis/Terrell): To approve the request by Boise State University to enter into a three-year employment contract with Sherman Beck Roghaar as Head Women's Tennis Coach beginning on July 1, 2014 and ending on June 30, 2017, with a starting base salary of \$52,398 and such base salary increases and supplemental compensation provisions in substantial conformance with the terms of the agreement set forth in Attachment 1. The motion carried unanimously 7-0.

5. Idaho State University (ISU) – Multi-Year Employment Agreement – Head Men's Basketball Coach

BOARD ACTION

M/S (Lewis/Terrell): To approve the request by Idaho State University to enter into a two-year, eleven month employment agreement with William L. Evans, Head Men's Basketball Coach, for a term commencing on June 23, 2014 and terminating May 9, 2017, at a base salary of \$104,811.20 and supplemental compensation provisions in substantial conformance with the terms of the agreement set forth in Attachment 1. The motion carried unanimously 7-0.

Mr. Lewis pointed out that the Board members should have received information containing revised terms to the contract. Mr. Freeman reported that the changes outlined the academic incentive pay be based on the APR national score rather than a percentage.

6. Idaho State University (ISU) – Multi-Year Employment Agreement – Head Women's Basketball Coach

BOARD ACTION

M/S (Lewis/Terrell): To approve the request by Idaho State University to execute a two-year, eleven month employment agreement with Seton Sobolewski, Head Women's Basketball Coach for a term commencing June 23, 2014 and terminating May 9, 2017 at a base salary of \$98,196.80 and supplemental compensation provisions in substantial conformance with the terms of the agreement set forth in Attachment 1. The motion carried unanimously 7-0.

Mr. Lewis pointed out that the Board members should have received information containing revised terms to the contract. Mr. Freeman reported that the changes outlined that the academic incentive pay be based on the APR national score rather than a percentage.

Ms. Atchley asked if the contracts conformed to the model contract. Mr. Freeman responded they do conform to the model policy.

APPROVED MINUTES

June 18-19, 2014

7. Idaho State University (ISU) – Multi-Year Employment Agreement – Head Women’s Volleyball Coach

BOARD ACTION

M/S (Lewis/Terrell): To approve the request by Idaho State University to execute a two-year, eleven month employment agreement with Chad Teichert, Head Women’s Volleyball Coach, for a term commencing June 23, 2014 and terminating January 20, 2017 at a base salary of \$62,337.68 and supplemental compensation provisions in substantial conformance with the terms of the agreement set forth in Attachment 1. The motion carried unanimously 7-0.

8. University of Idaho (UI) – Multi-Year Employment Agreement – Head Women’s Soccer Coach

BOARD ACTION

M/S (Lewis/Terrell): To approve the University of Idaho’s three-year employment contract with Derek Pittman, Head Women’s Soccer Team Head Coach for a term commencing June 20, 2014 through June 19, 2017, at a base salary of \$40,019.20 and supplemental compensation provisions in substantial conformance with the terms of the agreement set forth in Attachment 1. The motion carried unanimously 7-0.

Mr. Lewis indicated they had a recommendation to raise the academic incentive for APR. Ron Smith from the University of Idaho responded that they vetted the item through the Athletic Committee and this is the result of what was agreed to in committee. Mr. Freeman pointed out the details of the APR averages and the committee was in agreement with this motion in consideration this is a new coach.

BUSINESS AFFAIRS & HUMAN RESOURCES (BAHR) Section II – Finance

1. FY 2015 Operating Budgets

BOARD ACTION

M/S (Lewis/Terrell): To approve the FY 2015 operating budgets for the Office of the State Board of Education, Idaho Public Television, Division of Vocational Rehabilitation, College and Universities, Postsecondary Professional-Technical Education, Agricultural Research & Extension Service, Health Education Programs and Special Programs, as presented. The motion carried unanimously 7-0.

Mr. Freeman provided a brief overview of the operating budgets. He pointed out on Tab 1, page 32, the personnel cost summaries. Board policy delegates to the president’s

the authority to hire personnel. The only personnel the Board approves is the hiring of coaches. Mr. Freeman pointed out this is the only time the Board has to see how many FTE's the institutions have added.

Mr. Freeman also pointed out that on page 41, under Health Education Programs, line 4 is the WWAMI Medical Education Program, where the FY 15 budget number is lower than the FY 14 number. He pointed out that in FY 15 the legislature took the student fees out of the budget as no longer appropriated. It is an anomaly and appears to be a decrease. There is actually an experienced increase because of the addition of the five new WWAMI seats. He pointed out there is no net decrease, and in fact there is a net increase.

2. Athletics – FY 2015 Operating Budget Reports

BOARD ACTION

M/S (Lewis/Terrell): To accept the Athletics Operating Budget reports for Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College, as presented. The motion carried unanimously 7-0.

Mr. Lewis noted a shortfall with Idaho State University and expected they would correct it quickly.

At this time the meeting recessed for a 15 minute break.

3. FY 2016 Line Items

BOARD ACTION

M/S (Lewis/Terrell): To direct the BAHR Committee to review the FY 2016 budget line item requests as listed on Tab 3, pages 3 and 4, and to report recommendations back to the Board at the August 14, 2014 meeting. The motion carried unanimously 7-0.

Mr. Freeman pointed out the line item categories that the Board approved at its April meeting. He provided a high level summary at the system wide level. The line items go to BAHR for an in depth review in July and to the Board in August. They are due to the Governor September 1. Complete line item details were provided to the Board members in their agenda materials.

Mr. Freeman pointed out Complete College Idaho (CCI) is a major priority and discussed the requests prepared by the institutions. Those requests were aligned with the CCI plan. Mr. Westerberg commented that he realizes each institution has taken a different approach to CCI, but the spend isn't proportional to the enrollment. He was concerned it was so divergent between institutions and recommended the BAHR Committee take a deeper look at it, suggesting a common methodology.

Mr. Freeman indicated the next major item deals with deferred maintenance and reviewed those details. He pointed out that the need is far more than the institutions will ever be appropriated for deferred maintenance; they intend to submit a request for \$10 million for deferred maintenance costs. Mr. Freeman pointed out that there is an effective process in place for deferred maintenance and major capitol projects whereby the institutions submit a list that is reviewed by staff and also by the Permanent Building Fund Council to the Division of Public Works (DPW), and DPW is tasked with divvying out the funds appropriated to the institutions. Then, DPW works as far down that list as they can.

Mr. Freeman briefly reviewed the philanthropic matching program which was proposed in the President's Council meeting. He discussed salary competitiveness and where the various institutions rank. He commented that the BAHR Committee will need to consider how it will want to further develop the comparison so it is more "apples-to-apples" with regard to the benchmarks.

Mr. Freeman also highlighted a few areas specific to some of the institutions. There are currently three campuses that have line items addressing the guns-on-campus legislation recently passed. Mr. Freeman recommended additional discussion in the BAHR Committee on the institution-specific initiatives and specifically guns-on-campus.

Mr. Westerberg asked BAHR to consider what the total request ought to be for line items from the institutions. Mr. Lewis indicated the committee would take that into consideration.

Mr. Freeman also pointed out that the four-year institutions are requesting a 5% base increase to offset effects from the recession.

Under the Health Education programs and WWAMI, Mr. Freeman identified the continuation of the four-year build-out on the WWAMI seats, and pointed out the line item for an additional five new seats. Currently the program is at 30 seats per year. The request will bring the WWAMI seats to 35 per year. There are also requests from the residency programs for on-going base funding to offset federal grant dollars that have gone away.

Mr. Freeman discussed the request for funding of the Opportunity Scholarship and indicated the award doesn't meet the demand. The Board office is also requesting funding for an additional program manager position with the Charter Commission.

Dr. Goesling asked about the veterinarian education program. Mr. Freeman responded it is a joint program with the University of Idaho and Washington State University, and it provides for 44 students at 11 students per year. Dr. Goesling asked about the return on our investment and if the dollars would be better spent at the WWAMI program. Mr. Freeman indicated he would provide information on the program for Dr. Goesling outside of the meeting.

4. Amendment to Board Policy – Section V.R. – Establishment of Fees – First Reading

BOARD ACTION

M/S (Lewis/Goesling): To approve the first reading of proposed amendments to Board policy Section V.R., Establishment of Fees, with all revisions as presented.

The motion carried unanimously 7-0.

Mr. Lewis requested the financial vice presidents of the institutions to participate in the discussion. Mr. Freeman indicated that there was interest in exploring the special course fees and whether they are being used for the purpose originally assessed. The Audit Committee asked for an internal audit of the special course fees. The current Board policy on special course fees was not specific enough for the auditors to audit against. Therefore, they were directed to develop policy specific to the special course fees in order to have something specific to audit against.

Mr. Westerberg asked what would change in the process with the acceptance of this policy. Mr. Freeman responded the Audit Committee would review the fees. Mr. Lewis clarified it would be to help keep special course fees in check and to define what a special course fee is and that an auditor may determine whether or not the fee meets the definition of a special course fee.

Mr. Fletcher expressed some concerns on the policy, which he felt could be easily addressed by the BAHR Committee. Ms. Atchley indicated that if the financial vice presidents would like to have additional input, there would be time made to do it between now and the next reading. She expressed that the differences between how institutions determine special fees is confusing and the idea is to make those course fees transparent. She recommended the Audit Committee have a session on this policy. Mr. Fletcher recommended a joint meeting between the provosts, the vice presidents of finance, and the internal auditors. Mr. Smith echoed those remarks. Ms. Atchley indicated the Audit Committee chair would take that request under consideration, and include the BAHR chair in the discussion.

5. Amendment to Board Policy – Section V.T. – Fee Waivers – First Reading

BOARD ACTION

M/S (Lewis/Goesling): To approve the first reading of proposed amendments to Board Policy V.T. Fee Waivers, with all revisions as presented in Attachment 2.

The motion carried unanimously 7-0.

BOARD ACTION

M/S (Lewis/Terrell): To approve the following special fees as listed:

APPROVED MINUTES

June 18-19, 2014

- **Students attending multiple Idaho public institutions**
- **Idaho National Laboratory (UI)**
- **BYU-Idaho - University of Idaho**

The motion carried unanimously 7-0.

Mr. Freeman provided a brief explanation of the item and pointed out that the institutions provide a report that attempts to quantify the value of the waivers the institutions are granting to students. Board staff recommended amending policy to allow institutions to enter into in to these types of agreements subject to Board approval.

6. Amendment to Board Policy – Section V.X. – Intercollegiate Athletics – First Reading

BOARD ACTION

M/S (Lewis/Terrell): To approve the first reading of proposed amendments to Board policy V.X. Intercollegiate Athletics, with all revisions as presented in Attachment 1. The motion carried unanimously 7-0.

7. Amendment to Board Policy – Section V.I. – Real and Personal Property and Services – Second Reading

BOARD ACTION

M/S (Lewis/Terrell): To approve the second reading of proposed amendments to Board Policy V.I. Real and Personal Property and Services. The motion carried unanimously 7-0.

8. Amendment to Board Policy – Section V.K. – Construction Projects – Second Reading

BOARD ACTION

M/S (Lewis/Terrell): To approve the second reading of proposed amendments to Board policy V.K. Real and Personal Property and Services as presented. The motion carried unanimously 7-0.

9. Amendment to Board Policy – Section V.W. – Litigation – Second Reading

BOARD ACTION

M/S (Lewis/Terrell): To approve the second reading of Idaho State Board of Education Governing Policies & Procedures V.W. – Litigation as submitted. The motion carried unanimously 7-0.

At this time, item #13 was moved up on the agenda as a time sensitive matter related to bond issuance.

13. University of Idaho – Authorization for Issuance of General Revenue Bonds

BOARD ACTION

M/S (Lewis/Terrell): To approve the request by the University of Idaho for a Supplemental Resolution for issuance of the Series 2014 bonds and to approve the projects financed thereby as necessary for the proper operation of the University of Idaho and economically feasible, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION of the Regents of the University of Idaho authorizing the issuance and sale of General Revenue Bonds, Series 2014, in the principal amount of up to \$52,000,000 (the “Series 2014 Bonds”), authorizing the execution and delivery of a Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary Official Statement, Final Official Statement and other documents, and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2014 Bonds. A roll call vote was required and taken, and the motion passed unanimously 7-0.

Mr. Smith from the University of Idaho provided a summary of the bond issuance and the request, indicating they are seeking authorization to sell general revenue bonds not to exceed \$52 million. The bonds are to finance two construction projects; the Integrated Research Innovation Center and the renovation of the College of Education.

They are asking for a *not to exceed* interest rate of 5.5%. Their ratings have been affirmed through Moody’s and S&P as AA through stable. Final maturity of the bonds is not to exceed 31 years. The debt service for these bonds has been budgeted within the operational budget of the institution and no additional increase in student tuition or fees is required.

10. Boise State University – Agreement for Football Stadium Naming Rights with Albertson’s

BOARD ACTION

M/S (Lewis/Terrell): To waive Board Policy I.K. and approve Boise State University’s request to name the BSU football stadium “Albertsons Stadium” and to approve the Naming Rights Agreement as presented. The motion passed unanimously 7-0.

Mr. Satterlee from BSU provided a brief summary of the item and reported on the terms of the agreement. In 2009, Boise State University (BSU) entered into a multimedia and sports marketing agreement with Learfield. At that time, a naming rights agreement for the football stadium was contemplated as part of the contract awarded to Learfield.

The University has since entered into negotiations with Albertsons for the naming rights to the football stadium. Under the proposed agreement, Bronco Stadium would be renamed "Albertsons Stadium." In exchange for stadium naming rights, Albertsons will make annual payments to the University totaling \$12.5 million over the fifteen year term. Of the \$12.5 million, \$100,000 will support the new Alumni Center.

11. Boise State University – Facility Lease with Gardner and Company

BOARD ACTION

M/S (Lewis/Soltman): To approve the request by Boise State University to enter into a lease agreement with Gardner and Company for the initial term plus all allowable extension periods per the terms of the lease, in substantial conformance with the lease agreement as presented in Attachment 1. The motion passed unanimously 6-0. Mr. Terrell refrained from voting.

Before the discussion of the item ensued, Dr. Kustra offered some praise and remarks toward Mr. Terrell in his service to the Board. He credited Mr. Terrell with building relationships and bringing people together in alliances of various kinds. He thanked Mr. Terrell for his leadership and mentorship for the Board and for institutions.

Dr. Kustra introduced the item and introduced Dr. Mark Rudin and Ms. Stacy Pearson to discuss the details. He reported that Gardner and Company ("Gardner"), a private developer, has approached Boise State University (BSU) with a proposal that provides BSU with an opportunity to own or lease space in its new downtown development at a reduced cost. He pointed out this is a good price and will help better serve students. He commented there is great demand for more students and indicated that with the increase in faculty and students and this will assist with that. He remarked that the proposal calls for BSU to co-locate portions of its Computer Science Department in the new development to be located near technology firms in the downtown area.

Ms. Pearson echoed some of Dr. Kustra's remarks about the downtown location and that the proposal was carefully vetted. There is collaboration with industry and a strong interest for the types of jobs the computer science department prepares students for. Ms. Pearson indicated there has been an increase in computer science grant funding. She pointed out the space needs for the College of Engineering. She highlighted the project information details and that it will provide 370,000 gross square feet which includes two buildings. The University will occupy 53,549 gross square feet comprised of two complete floors, the second and third floors of the Clearwater Building and a small portion of the Centre Building. Ms. Pearson shared some drawings of the proposed buildings as a visual aid and pointed out who the project partners and co-tenants will be. Lease terms have been negotiated, and it has annual purchase options. It is an annual lease with a tenant improvement exit option. She reviewed under what conditions the tenant improvement cost would be paid should BSU stay in the facility long term.

Ms. Pearson reviewed the purchase terms offered at \$169.99 per square foot that includes \$2.67M in developer investment into tenant specific improvements. It includes price risk and interest expense through construction and, the purchase price being due in two years. They believe the purchase price option is good and that the lease is a good deal. They are presently seeking approval of the land board lease.

Dr. Rudin commented that BSU has been hearing that they have not been producing enough graduates to meet workforce needs. He remarked on the benefit of iGEM grant money which will help with graduation rates in the computer science area. He pointed out the graduate problem doesn't just include Idaho, that it is a nationwide shortage.

Mr. Lewis expressed concern about parking for students. Ms. Pearson responded that they are working on it and paying careful attention to the issue. She indicated they are assured by the downtown entities that there is adequate parking if they want to purchase it, and it would be discounted parking for BSU. Gardner Company is also looking at procuring additional parking. She indicated they would have additional information available soon. She did say the downtown parking would be more expensive than the parking on campus, but they are working to keep those costs down and will provide additional information. Ms. Atchley echoed that parking and its cost is a real concern. Mr. Lewis urged a direction to a clear path toward the parking situation. Ms. Pearson discussed some of the parking options and clarified that the Gardner Group is looking at two options. One is purchasing an existing parking garage, and one is to build a parking area. How the Gardner Group intends to proceed is not clear yet, as well as the other parking options. She also pointed out there will be a shuttle that runs back and forth to the campus regularly.

There was additional discussion about parking. Ms. Pearson indicated that with today's action it would approve proceeding with the first year lease. Dr. Kustra expressed his comfort and confidence in the opportunities for reasonable parking options for faculty, staff and students. Mr. Satterlee provided additional remarks about parking. Mr. Lewis requested that information be summarized and provided to the Board.

At this time, Mr. Luna left the meeting, and the group recessed for a lunch break.

12. Idaho State University (ISU) – Report of the Bengal Pharmacy LLC

Arlo Luke, ISU Foundation President, Rex Force, ISU College of Pharmacy, and John Gregory, CFO of the Foundation, provided a report to the Board. They were joined by Kent Tingey, ISU VP for University Advancement.

Mr. Luke expressed great appreciation for the Board's approval of the Bengal Pharmacy, LLC (Pharmacy). He reviewed the rationale for the Pharmacy, and its goals to generate revenue, provide educational experience to students and provide a research laboratory for faculty and students.

APPROVED MINUTES

June 18-19, 2014

Mr. Luke reported that the Pharmacy startup has experienced delays as well as opportunities, and they don't expect to take the loss in start-up that was originally projected. Mr. Force reported that the Foundation authorized up to \$400,000 for start-up and they have used \$308,000 YTD. Their first year revenue projected at \$315,000 and the first year projected net operating loss is at \$28,420 which is considerably lower than their original loss projection of \$153,068.

Mr. Luke reported on the progress of the Pharmacy and that they are achieving profitability. Mr. Force reported that they are on track with the educational mission of the Pharmacy. He said the Pharmacy's direction is also providing a platform for grant applications. Mr. Luke reported some of the challenges and opportunities at the Pharmacy. Some of the challenges have included technical upgrades. Opportunities include insurance contracting and a partnership with a pharmacy owner in Arco. Mr. Force added that the Bengal Pharmacy LLC is an exciting model for rural area pharmacies.

14. Lewis-Clark State College – FY 2015 Athletic Limit Increase

BOARD ACTION

M/S (Lewis/Goesling): To approve the request from Lewis-Clark State College to increase its FY2015 General Fund athletic limit by \$100,000 resulting in a new limit of \$1,093,300. The motion carried 6-0. Mr. Luna was absent from voting.

Chet Herbst reported that they are requesting an increase of \$100,000, of which the net effect would be to keep at about the same average per participant basis, and the expenditures would be used to hire an assistant coach. Dr. Goesling indicated that Board staff finds LCSC has made a reasonable case for the need to increase its General Fund limit and recommended approval.

At this time, Mr. Freeman requested a moment of personal privilege to express some heartfelt comments regarding Mr. Terrell and his service on the Board.

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS

1. Amendment to Board Policy – Section III.P. – Students – First Reading

BOARD ACTION

M/S (Soltman/Westerberg): To approve the first reading of proposed amendments to Board policy III.P. Students, subsection 18. as submitted in Attachment 1. The motion carried unanimously 6-0. Mr. Luna was absent from voting.

Mr. Soltman indicated that approval of the proposed amendment would include community college students in the student complaint process currently outlined in Board

policy, thereby assuring they are in compliance with the Federal Program Integrity Rules.

2. Amendment to Board Policy III.Y., Advanced Opportunities – Second Reading

BOARD ACTION

M/S (Soltman/Westerberg): To approve the second reading of proposed amendments to Board policy III.Y. Advanced Opportunities as submitted in Attachment 1. The motion failed due to a tie. Dr. Goesling, Mr. Terrell and Mr. Lewis voted nay on the motion. Mr. Luna was absent from voting. The item was returned to the IRSA Committee for further work.

Mr. Soltman indicated approval of the proposed amendment will clarify for the institutions that dual credit courses can be either academic courses or professional-technical courses and that students participating in technical competency credit (TechPrep) programs are not concurrently enrolled students.

Mr. Terrell requested discussion on the item as it relates to the military students. Mr. Soltman requested Dr. Schwarz provide comment on the item. Dr. Schwarz responded that most of the specific issues regarding operation can be addressed through PTE in coordinating consistency in operation. He indicated they do not feel there would be barriers to military students.

Ms. Bent offered comments that they are looking to have the transfer of these credits to be more consistent throughout the system and more transparent to students. Dr. Mathias responded that CAAP did discuss the issue at their May meeting and none of the institutions changed their position.

Dr. Schwarz pointed out that this policy is different from where it was when it was originally crafted and overall that it has evolved for the better. Dr. Goesling requested comment from LCSC. LCSC President Dr. Tony Fernandez summarized the history of the program and the amendments to the policy. He commented that when the new policy was put together they disagreed with some of the changes in the second reading. They are concerned that the changes to the policy will affect the tech prep and PTE student numbers. He indicated that LCSC does not support the proposed change in policy.

Mr. Terrell was concerned about taking away from students who want to go to school by charging \$65 per credit hour. He asked why they would want to undo what LCSC is doing by not charging the students and absorbing the cost themselves.

Ms. Bent remarked on the complication of this policy and the biggest confusion is the merging of dual credit and tech prep courses. Dual credit courses remain \$65. What used to be called tech prep is currently \$10 per credit. The difference is that the previous policy was vague on tech prep courses. The change to the tech prep section

APPROVED MINUTES

June 18-19, 2014

specifies the students are not concurrently enrolled which takes the students from LCSC into a different category.

Mr. Soltman reviewed what each of the committees recommended. Mr. Terrell recommended the IRSA Committee review the policy one more time before a motion is made on the policy. Mr. Soltman pointed out that the \$65 was decided upon in committee and he would prefer to vote on the motion. Dr. Mathias added some clarifying comments to the discussion. Dr. Goesling expressed allowing the institutions the flexibility to decide on the rates.

After some further discussion, the item was returned to the IRSA Committee for additional work with particular attention to effect on military students.

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

M/S (Terrell/Goesling): To adjourn the meeting at 2:08 p.m. The motion carried unanimously 6-0.