



**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
February 11, 2015
Office of the State Board of Education
Len B. Jordan Building, 3rd Floor
Boise, Idaho**

A special meeting of the State Board of Education was held February 11, 2015 in the large conference room of the Office of the State Board of Education, Len B. Jordan Building, in Boise, Idaho. Board President Emma Atchley presided and called the meeting to order at 11:30 am Mountain Time. A roll call of members was taken.

Present:

Emma Atchley, President
Rod Lewis, Vice President
Don Soltman, Secretary
Debbie Critchfield

Bill Goesling (joined at 11:34)
Dave Hill
Richard Westerberg
Sherri Ybarra, State Superintendent

Absent:

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

Section I – Human Resources

1. University of Idaho – Proposed Legislation

BOARD ACTION

M/S (Westerberg/Soltman): To approve the request by the University of Idaho to proceed with proposed legislation to revise Idaho Code Section 41-40110(3) (and associated sections of Chapter 40) so as to reinstate the calculation of the trust fund reserve and surplus for the University to the calculations as they existed in 2012. A roll call vote was taken and the motion carried 8-0.

Mr. Kent Nelson, legal counsel for the University of Idaho (UI), provided a review of the item. He indicated the UI has operated a self-funded health plan since 2008 covering

medical, dental and vision, contracting through various providers who bill the university based on the claims submitted. The plan includes a trust as required by law, and the trust receives all of the employee payroll deductions and other contributions including retiree and university contributions. The trust pays the claims as they are billed, as well as the operating expenses of the plan. When the plan was established, state law required that the plan keep a reserve calculated based upon incurred but not paid claims (IBNP). He pointed out state law also required a surplus equal to 30%, so essentially the university dealt with a balance of 130% in their trust. It assures there are funds available in the event the university chooses to stop self-insuring and return to a regular insurance product.

Mr. Nelson indicated that in 2013, a bill was sponsored that intended to create authority for private higher education institutions to create student health plans that are self-funded to deal with some problems institutions were having with the Affordable Care Act (ACA). The Department of Insurance made changes to the bill that went beyond addressing student health plans resulting in an impact to the university. One of the changes that goes into effect July 1 is to remove the 130% IBNP amount and replace it with a reserve based upon monthly contributions. The UI's actuary has calculated that change will add an additional \$6 million to the trust beyond what the university pays each month. The effect of that is it would take \$6 million out of unrestricted reserves for the institution. Mr. Nelson pointed out they do not see a financial benefit in doing that, and it has a negative impact on the institutions balance sheet.

Mr. Nelson reported they have been working with the Department of Insurance and legislative leadership on a proposal that the Department of Insurance also agrees with. That proposal would reestablish the 130% IBNP requirement amount for the university, and remove them from the new requirement. They are seeking permission to move forward with legislation that will reinsert the old 130% IBNP reserve calculation back into the statute, applying it only to higher education institution employee self-funded plans.

2. Legislative Update - PTE

M/S (Westerberg/Goesling): For the Board to support the concepts outlined in the draft bill, providing further alignment with the secondary and postsecondary PTE programs. A roll call vote was taken and the motion carried 8-0.

Dr. Rush from the Board Office introduced the item indicating it was precipitated by concerns over difficulty that high school students were having articulating tech prep credit to the postsecondary technical programs. He added there is continuing interest in the Legislature to smooth out the transfer of courses for students.

PTE Administrator Dwight Johnson provided an overview of the item which is in response to interest by Senators Thayne and Mortimer. The bill is intended to promote the alignment of the foundational professional-technical courses at Idaho public colleges and universities to achieve uniformity and transferability in the core requirements for like programs of study in professional-technical programs. The goal is to align at least the

first semester professional-technical programs at each of the public postsecondary institutions. Mr. Johnson provided an example to help explain the difficulty some students are having. He clarified that a second piece to this is to expand professional-technical offerings on-line, particularly in rural settings. Mr. Johnson indicated there is a partnership developing with Idaho Digital Learning Academy (IDLA) and Idaho PTECH Network to develop professional-technical offerings on-line.

Ms. Atchley asked how it would affect accreditation at the secondary and postsecondary level. Dr. Rush responded it should not affect accreditation. Ms. Critchfield asked who at the K-12 level would be making sure the courses are aligned with the university programs. Mr. Johnson responded they would be working with the deans of the technical colleges and they will be working through the logistics together with administrators and faculty. Ms. Critchfield asked when this is anticipated to take place and how the alignment will work. Mr. Johnson responded they need horizontal alignment at the postsecondary schools for the first semester so that each one of the institutions have the same student outcomes for that program of study, that way the student will not have any problem with dual credit transfers. As for the timing, some areas should be ready this fall, and others will need possibly another academic year.

3. Legislative Update

Mr. Westerberg indicated that the Board agenda materials contain a list of Board supported legislation and general legislation, including action last taken. Mr. Westerberg asked Ms. Bent if there was anything specific she would like to provide an update on from the Board office. She noted that one of the bills listed under "other education" deals with the statewide assessment and use of the consortium. One other bill recently introduced is regarding allowing students to opt out of the ISAT as a graduation requirement. Ms. Bent indicated the Board would have more through discussion around those items next week at the regular Board meeting and a recommendation would be likely at that time. There were no other questions on the legislation at this time; the consensus was to have the broader discussion on the legislation next week.

OTHER BUSINESS

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

M/S (Hill/Critchfield): To adjourn the meeting at 12:00 p.m. The motion carried unanimously.