

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

TAB	DESCRIPTION	ACTION
1	FY 2016 OPERATING BUDGETS	Motion to approve
2	ATHLETICS – FY 2016 OPERATING BUDGET REPORTS	Motion to approve
3	AMENDMENT TO BOARD POLICY Section V.K. – Construction Projects - First Reading	Motion to approve
4	AMENDMENT TO BOARD POLICY Section V.W. - Litigation - First Reading	Motion to approve
5	BOISE STATE UNIVERSITY Proposed Student Housing Project	Information item
6	BOISE STATE UNIVERSITY 2015 Master Plan Update	Motion to approve
7	UNIVERSITY OF IDAHO Wallace Residence Center Project - Planning and Design Phase	Motion to approve
8	UNIVERSITY OF IDAHO UI Library Improvements Project – Construction Authorization	Motion to approve
9	UNIVERSITY OF IDAHO Independent Study in Idaho	Motion to approve

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

SUBJECT

Approval of FY 2016 Appropriated Funds Operating Budgets

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Section V.B.3.b.ii., 4.b., 5.c, 6.b.

BACKGROUND/DISCUSSION

Per Board policy, each institution and agency prepares an operating budget for appropriated funds, non-appropriated auxiliary enterprises, non-appropriated local services, and non-appropriated other.

For the appropriated funds operating budget, Board policy provides as follows: “each institution or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the Executive Director, for review and formal approval before the beginning of the fiscal year.” The appropriated operating budgets have been developed based on appropriations passed by the Legislature during the 2015 session.

For the college and universities’ non-appropriated operating budgets, Board policy requires reports of revenues and expenditures to be submitted to the State Board of Education at the request of the Board. Currently, these operating budgets are submitted to the Board office and are available to Board members.

Operating budgets are presented in two formats: budgets for agencies, health education programs, and special programs contain a summary (displayed by program, by source of revenue, and by expenditure classification) and a budget overview that briefly describes the program and changes from the previous fiscal year. All sources of revenues are included (i.e. General Funds, federal funds, miscellaneous revenue, and any other fund source).

For the college and universities, postsecondary professional-technical education and agricultural research & extension, supplemental information is provided including personnel costs summarized by type of position. The college and universities’ reports only contain information about appropriated funds, which include state General Funds, endowment funds, and appropriated student fees.

IMPACT

Approval of the budgets establishes agency and institutional fiscal spending plans for FY 2016, and allows the agencies and institutions to continue operations from FY 2015 into FY 2016.

ATTACHMENTS

Attachment 1 – FY16 Operating Budgets Index

Page 3

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

STAFF COMMENTS AND RECOMMENDATIONS

Budgets were developed according to legislative intent and/or Board guidelines. There was funding for a 3% ongoing Change in Employee Compensation (CEC) in FY 2016. Representatives from the institutions will be available to answer specific questions.

Page 32 presents a system-wide summation of personnel costs by institution, by classification and also includes the number of new positions added at each institution. Board policy only requires Board approval for the following positions:

- Any position at a level of vice-president (or equivalent) and above, regardless of funding source.
- The initial appointment of an employee to any type of position at a salary that is equal to or higher than 75% of the chief executive officer's annual salary.
- The employment agreement of any head coach or athletic director (at the institutions only) longer than one year, and all amendments thereto.

All other hiring authority has been expressly delegated to the presidents. Therefore, Board review of the operating budgets is the only time the Board sees the number of new positions added year-over-year.

For informational purposes only, the lists of FY 2016 maintenance projects recommended by the Permanent Building Fund Advisory Council is included starting at page 45.

BOARD ACTION

I move to approve the FY 2016 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.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015**

FY16 AGENCIES & INSTITUTIONS OPERATING BUDGETS INDEX

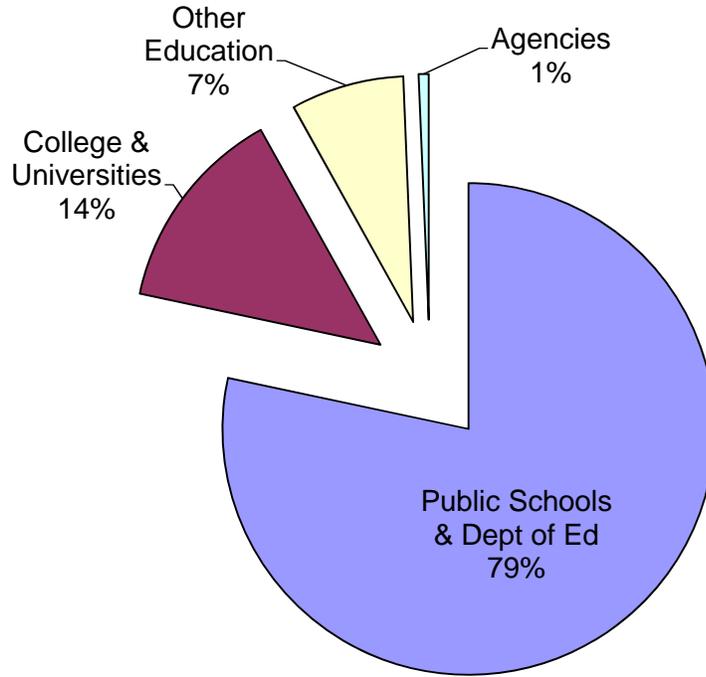
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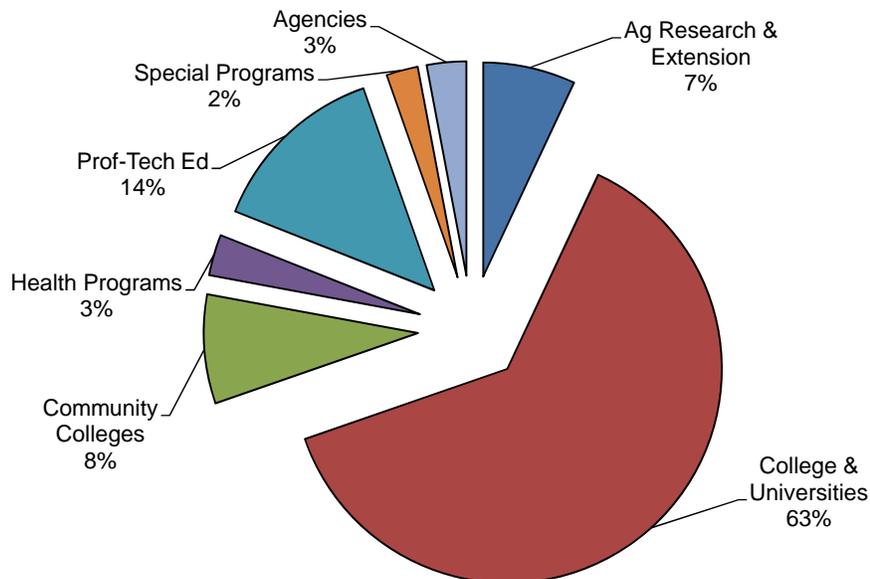
State Board of Education

FY16 General Funds by Program

Includes Public Schools and Department of Education General Funds



Excludes Public Schools and Department of Education General Funds



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OFFICE OF THE STATE BOARD OF EDUCATION
FY 2016 Operating Budget

	FY 2015 BUDGET	FY 2016 BUDGET	PERCENT of CHANGE	
1				
2	By Cost Center:			
3	Office of the State Board of Education			
3	Management Services	3,931,600	3,931,600	0.00%
4	Proprietary Schools	168,200	192,000	14.15%
4	Charter School Commission	331,400	468,000	41.22%
5	Academic Services	564,400	581,700	3.07%
6	Research Services	303,400	305,100	0.56%
7	Fiscal Services	323,400	329,100	1.76%
8	Scholarship Programs	8,496,500	8,858,300	4.26%
9	System Wide Needs	1,003,300	1,003,300	0.00%
10	Total Programs	15,122,200	15,669,100	3.62%
11	By Fund Source:			
12	General Fund	2,289,200	2,441,500	6.65%
13	General Fund - Scholarships	6,723,400	6,724,900	0.02%
14	General Fund - Systemwide Needs	1,003,300	1,003,300	0.00%
15	Federal Funds	2,724,600	2,727,500	0.11%
16	Federal Funds - GEARUP	1,723,100	2,083,400	20.91%
17	Miscellaneous Revenue	493,100	522,200	5.90%
18	Miscellaneous - Opportunity Fund	50,000	50,000	0.00%
19	Indirect Cost Recovery Fund	115,500	116,300	0.69%
20	Total Funds	15,122,200	15,669,100	3.62%
21	By Expenditure Classification:			
22	Personnel Costs	2,329,900	2,544,000	9.19%
23	Operating Expenditures	3,271,100	3,255,400	-0.48%
24	Capital Outlay	14,900	3,400	N/A
25	Trustee/Benefit Payments	9,506,300	9,866,300	3.79%
26	Lump Sum	0	0	N/A
27	Total Expenditures	15,122,200	15,669,100	3.62%
28	Full Time Positions	24.25	25.75	6.19%

29 **Budget Overview**

30 The Office of the State Board of Education received a 3% ongoing CEC as well as benefit increases. The
31 increase in Proprietary Schools is for spending authority to use fees generated through the State
32 Authorization Reciprocity Agreement (SARA). The increase in Charter School Commission is for the
33 addition of 1.5 FTP and \$104.9k in personnel costs for a full-time program manager and a half-time AA2
34 position and \$24.5k in operating expenses . The increase in Scholarship Programs is an increase in
35 spending authority for GEARUP scholarships.

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IDAHO PUBLIC TELEVISION
FY 2016 Operating Budget

		<u>FY 2015 BUDGET</u>	<u>FY 2016 BUDGET</u>	<u>PERCENT of CHANGE</u>
1				
2	By Program:			
3	Delivery System and Administration:			
4	Technical Services	(1) 1,993,830	2,204,550	10.57%
5	Administration	1,428,300	1,299,660	-9.01%
6	Educational Content:			
7	Programming Acquisitions	1,556,960	1,595,100	2.45%
8	IdahoPTV Productions	1,393,020	1,436,420	3.12%
9	Special Productions	(2) 35,000	380,000	
10	Communications	643,590	703,330	9.28%
11	Development	1,017,300	1,080,240	6.19%
12	Total Programs	<u>8,068,000</u>	<u>8,699,300</u>	<u>7.82%</u>
13				
14	By Fund Source:			
15	General Fund - PC/OE	2,013,500	1,990,000	-1.17%
16	General Fund - Capital (One-Time)	(3) 187,200	324,000	73.08%
17	Federal Funds	(4) 23,000	0	-100.00%
18	Local Funds	5,809,300	6,005,300	3.37%
19	Special Productions	(2) 35,000	380,000	985.71%
20	Total Funds	<u>8,068,000</u>	<u>8,699,300</u>	<u>7.82%</u>
21				
22	By Expenditure Classification:			
23	Personnel Costs	4,159,600	4,459,700	7.21%
24	Operating Expenditures:			
25	Communication & Programming	1,431,650	1,448,590	1.18%
26	Employee Development & Travel	(5) 181,490	212,120	16.88%
27	Professional , Admin & Other Services	418,640	450,130	7.52%
28	Supplies, R&M Services	244,590	264,080	7.97%
29	Utilities and Gas	156,000	168,250	7.85%
30	Leases and Rentals	537,790	508,690	-5.41%
31	Miscellaneous	(6) 180,040	201,740	12.05%
32	Total Operating Expenditures	<u>3,150,200</u>	<u>3,253,600</u>	<u>3.28%</u>
33	Capital Outlay	(7) 758,200	758,200	0.00%
34	Total Expenditures	<u>8,068,000</u>	<u>8,471,500</u>	<u>5.00%</u>
35				
36	FTP Count	60.0	60.0	0.00%
37				

Notes:

- 39 (1) Increases in personnel costs, repairs & maintenance, and more general fund capital.
40 (2) Seeking additional donations to support IdahoPTV special productions.
41 (3) Increased level of general fund capital replacement appropriation.
42 (4) Federal grant programs eliminated.
43 (5) Increase in training for new personnel; primarily within fundraising and web development.
44 (6) Anticipated increase in credit card fees and governmental overhead.
45 (7) Increased appropriations for general fund replacement capital; miscellaneous fund if donations secured.
46 IdahoPTV received appropriations for a 3% CEC that increased personnel costs throughout the budget.

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DIVISION OF VOCATIONAL REHABILITATION
FY 2016 Operating Budget

	FY 2015 BUDGET	FY 2016 BUDGET	PERCENT of CHANGE
By Program:			
Vocational Rehabilitation	20,425,400	21,332,200	4.44%
Comm. Supp. Employ. Work Svcs. (CSE)	3,896,500	3,908,100	0.30%
Council for the Deaf & Hard of Hearing	199,300	203,400	2.06%
Total Programs	24,521,200	25,443,700	3.76%
By Fund Source:			
General Fund	7,493,900	7,557,800	0.85%
Federal Funds	14,985,100	15,843,500	5.73%
Miscellaneous Revenue	960,700	960,900	0.02%
Dedicated Funds	1,081,500	1,081,500	0.00%
Total Funds	24,521,200	25,443,700	3.76%
By Expenditure Classification:			
Personnel Costs	9,740,500	10,012,300	2.79%
Operating Expenditures			
Communications	250,000	250,000	0.00%
Employee Dev./Memberships	59,300	59,300	0.00%
Professional & General Services	555,000	554,200	-0.14%
Travel	96,000	96,000	0.00%
Supplies & Insurance	114,000	114,000	0.00%
Rents	430,000	430,000	0.00%
Other	20,000	20,000	0.00%
Total Operating Expenditures	1,524,300	1,523,500	-0.05%
Capital Outlay	68,500	70,000	2.19%
Trustee/Benefit Payments	13,187,900	13,837,900	4.93%
Total Expenditures	24,521,200	25,443,700	3.76%

28 Full Time Positions 152.50 152.50 0.00%
Budget Overview

29 Senate Bill 1012 appropriated a supplemental amount of \$555,000 for Trustee/Benefit Payments for the Vocational Rehabilitation for FY 2015. The supplemental funds were from a Federal Grant.

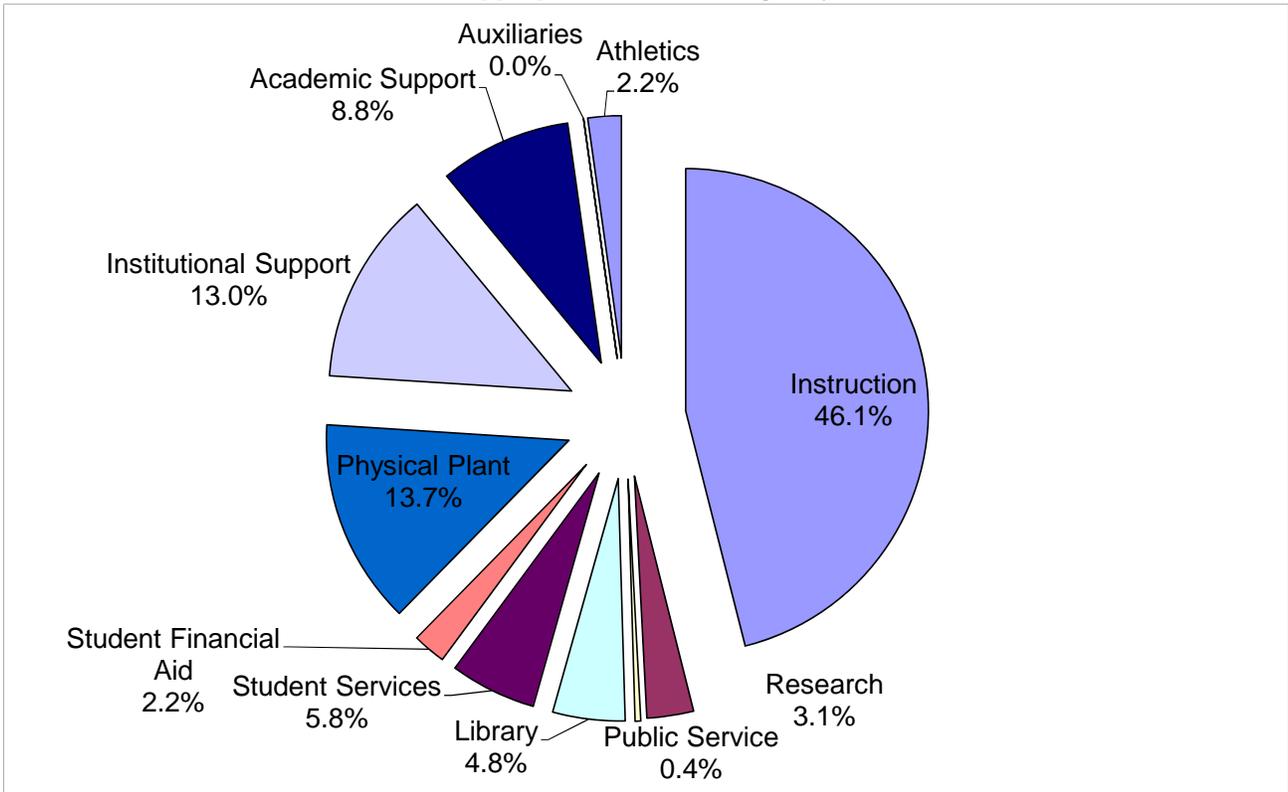
30 House Bill 251 appropriates moneys for the Divisions of Vocational Rehabilitation for FY 2016.

31
32 An increase in appropriations of \$650,000 was approved for Trustee/Benefit from additional grant funds. Personnel
33 costs were increased by a net \$173,800 implementing a 3% on-going salary increase net of a prior year one-time 1%
34 salary increase. State allocations decreased by \$800, benefits increased by \$98,000 and capital outlay by \$1,500.
35

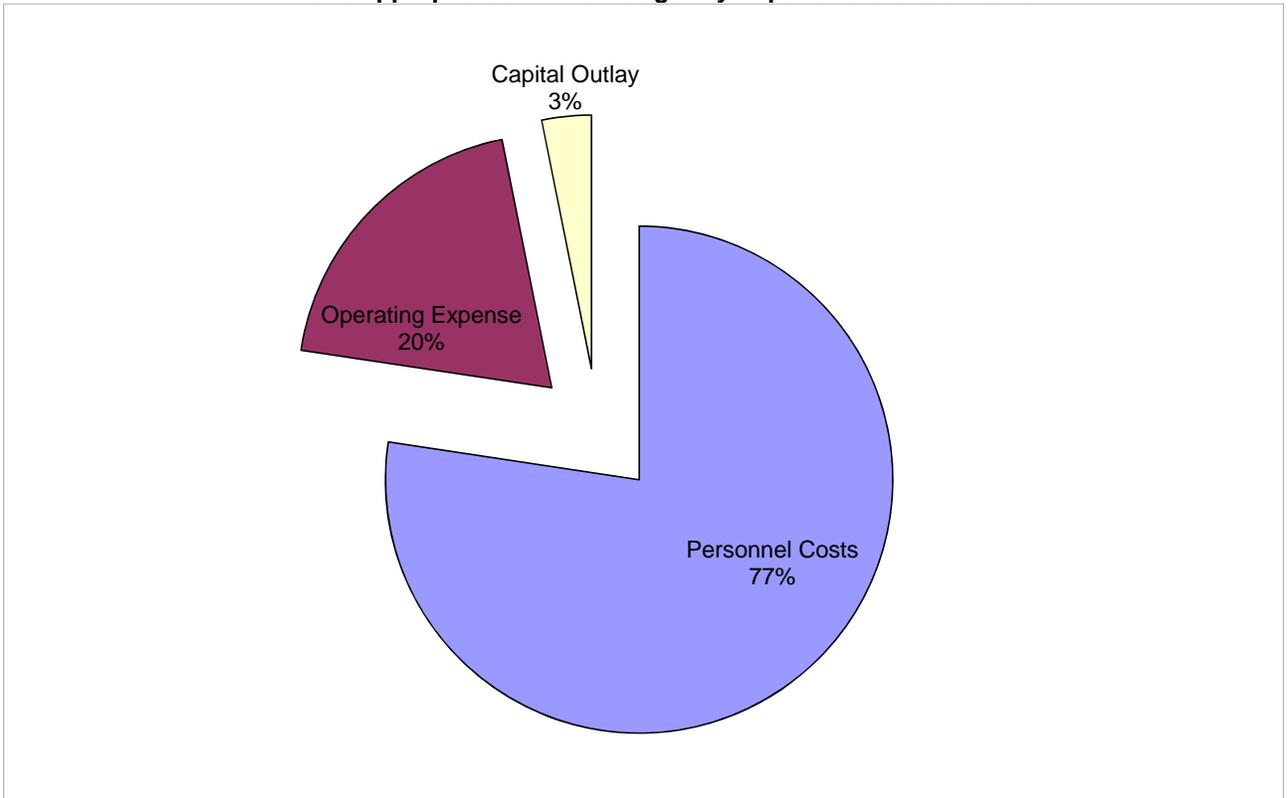
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COLLEGE & UNIVERSITIES

FY 2016 Appropriated Funds Budget By Function



FY 2016 Appropriated Funds Budget By Expenditure Classification



COLLEGE & UNIVERSITIES SUMMARY

Budget Distribution by Activity and Expense Class

July 1, 2015 - June 30, 2016

Appropriated Funds

	FY2015 Original Budget		FY2016 Original Budget		Changes from	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
Revenue by Source						
1 State General Account - ongoing	\$240,637,000	48.43%	\$250,212,700	48.60%	\$9,575,700	3.98%
2 State General Account - one time	5,947,400	1.20%	3,598,700	0.70%	(2,348,700)	-39.49%
3 State Endowments	12,461,200	2.51%	13,980,000	2.72%	1,518,800	12.19%
4 Student Tuition and Fees	237,820,228	47.86%	247,065,600	47.99%	9,245,372	3.89%
5 Total Operating Revenues	<u>\$496,865,828</u>	<u>100.00%</u>	<u>\$514,857,000</u>	<u>100.00%</u>	<u>\$17,991,172</u>	<u>3.62%</u>
Expenses						
By Function:						
6 Instruction	\$227,189,622	46.57%	\$234,911,017	46.07%	\$7,721,395	3.40%
7 Research	14,698,993	3.01%	15,825,194	3.10%	1,126,201	7.66%
8 Public Service	1,839,633	0.38%	1,872,030	0.37%	32,397	1.76%
9 Library	23,332,213	4.78%	24,603,597	4.82%	1,271,384	5.45%
10 Student Services	25,370,180	5.20%	29,341,444	5.75%	3,971,264	15.65%
11 Student Financial Aid	12,102,076	2.48%	11,275,897	2.21%	(826,179)	-6.83%
12 Physical Plant	66,540,257	13.64%	69,748,858	13.68%	3,208,601	4.82%
13 Institutional Support	63,596,163	13.04%	66,296,114	13.00%	2,699,951	4.25%
14 Academic Support	42,387,202	8.69%	44,735,526	8.77%	2,348,324	5.54%
15 Auxiliaries	11,400	0.00%	11,400	0.00%	0	0.00%
16 Athletics	10,811,550	2.22%	11,298,631	2.22%	487,081	4.51%
17 Total Bdgt by Function	<u>\$487,879,289</u>	<u>100.00%</u>	<u>\$509,919,708</u>	<u>100.00%</u>	<u>\$22,040,419</u>	<u>4.52%</u>
18 By Expense Class:						
19 Personnel Costs:						
20 Salaries:						
21 Faculty	\$143,198,519	29.35%	\$145,020,538	28.44%	\$1,822,019	1.27%
22 Executive/Admin	17,117,859	3.51%	18,957,117	3.72%	1,839,258	10.74%
23 Managerial/Prof	58,889,287	12.07%	64,576,761	12.66%	5,687,474	9.66%
24 Classified	41,878,753	8.58%	44,098,308	8.65%	2,219,555	5.30%
25 Grad Assist	9,595,244	1.97%	10,066,152	1.97%	470,908	4.91%
26 Irregular Help	6,347,788	1.30%	7,058,230	1.38%	710,442	11.19%
27 Total Salaries	<u>\$277,027,450</u>	<u>56.78%</u>	<u>\$289,777,106</u>	<u>56.83%</u>	<u>\$12,749,656</u>	<u>4.60%</u>
28 Personnel Benefits	96,881,210	19.86%	104,766,391	20.55%	7,885,181	8.14%
29 Total Pers Costs	<u>\$373,908,660</u>	<u>76.64%</u>	<u>\$394,543,497</u>	<u>77.37%</u>	<u>\$20,634,837</u>	<u>5.52%</u>
30 Operating Expense:						
31 Travel	1,506,415	0.31%	1,573,561	0.31%	67,146	4.46%
32 Utilities	19,511,048	4.00%	19,656,598	3.85%	145,550	0.75%
33 Insurance	2,708,966	0.56%	2,596,680	0.51%	(112,286)	-4.14%
34 Other Oper. Exp	74,561,815	15.28%	75,500,511	14.81%	938,696	1.26%
35 Total Oper. Exp	<u>\$98,288,244</u>	<u>20.15%</u>	<u>\$99,327,350</u>	<u>19.48%</u>	<u>\$1,039,106</u>	<u>1.06%</u>
36 Capital Outlay:						
37 Depart Equipment	4,256,105	0.87%	4,255,581	0.83%	(524)	-0.01%
38 Library Acquisitions	11,426,280	2.34%	11,793,280	2.31%	367,000	3.21%
39 Total Cap Outlay	<u>\$15,682,385</u>	<u>3.21%</u>	<u>\$16,048,861</u>	<u>3.15%</u>	<u>\$366,476</u>	<u>2.34%</u>
40 Tot Bdgt by Exp Class	<u>\$487,879,289</u>	<u>100.00%</u>	<u>\$509,919,708</u>	<u>100.00%</u>	<u>\$22,040,419</u>	<u>4.52%</u>
41 One-time CEC/Bonus	\$2,109,300		\$0		(\$2,109,300)	
42 One-time Other	\$6,877,239		\$4,937,292		(\$1,939,947)	
43 Activity Total	<u>\$496,865,828</u>		<u>\$514,857,000</u>		<u>\$17,991,172</u>	<u>3.62%</u>
44 TOTAL FTE POSITIONS	4,197.10		4,332.68		135.58	3.23%

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

BOISE STATE UNIVERSITY
FY2016 BUDGET OVERVIEW
Appropriated Funds

FY 2015 Base Operating Budget **\$170,564,800**

Adjustments to Base from State Funds

Personnel Benefits (Health Insurance Costs)	447,200
CEC – 3% Merit Pool	1,762,200
Payline Adj. Classified Employees	16,500
Complete College Idaho	546,500
Computer Science Workforce	1,261,100
Net Reduction SWCAP	(139,500)
Enrollment Workload Funding	<u>83,000</u>

NET INCREASE IN BASE STATE FUNDING **\$3,977,000**

Increases from Student Tuition/Fees

3,187,700

FY 2016 Base Operating Budget **\$177,729,500**

**One-time increases from State General
Account and Student Tuition and Fees**

\$1,273,700

Boise State's FY 2016 base operating budget of \$177,729,500 is a \$7.2 million increase over the previous year's base funding. About half of the new funding will come from student tuition and fees, which will increase an average of 3.5%. The State general account funding comprises 48% of the base operating budget and totals \$84,747,800, and student tuition and fees comprise 52% of the base operating budget for a total of \$92,981,700.

Following are highlights of the FY 2016 appropriated operating budget.

- Health insurance costs continue to increase. The employer costs will be covered with partial funding from the State and the remaining from student tuition and fees. Total fringe costs are estimated to increase almost \$3 million.
- Salary Adjustments - State funding will partially cover the 3% merit based permanent increases, and student tuition and fees are required for approximately half of the cost. The total cost is \$3.5 million. In addition, reallocations of base

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

funding enabled equity adjustments for some staff. The increases are targeted for employees furthest away from CUPA benchmark data and compa-ratios for classified staff.

- Complete College Idaho – State general funding will provide \$546,500 to Boise State University to help meet the 60 percent goal by 2020. This funding will be used to enhance instructional capacity, reduce bottlenecks and support student success. Specific plans include converting five current adjunct positions to full time lecturers, three new academic advisors, three new faculty lines and one new department manager.
- Computer Science Workforce Initiative received \$1,260,900 of general fund money. These funds will provide budget for eight new faculty, five new Graduate Assistants and \$77,000 for operating expenses.
- Prioritized budget needs identified during the university's annual budget process continued to focus on fully funding existing permanent positions (previously funded with one-time sources). In addition, funding reallocated from current budgets provided the initial funding for the new College of Innovation and Design.
- One-time funds will be used for security needs, capital replacement items and one-time academic needs identified in the annual budget process.

Program prioritization activities also impacted the FY2016 budget. All University departments were asked to identify budget reductions based on current needs and Program Prioritization initiatives. Academic departments submitted budget reductions totaling over \$1.3 million (1 percent of the FY2015 budget) and non-academic departments over \$1.3 million (3 percent of the FY2015 budget). \$1.6 million was reallocated for new initiatives and those requiring investment from the program prioritization activities and \$1 million was set aside as an enrollment reserve.

BOISE STATE UNIVERSITY
Budget Distribution by Activity and Expense Class
July 1, 2015 - June 30, 2016
Appropriated Funds

	FY2015 Original Budget		FY2016 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
Revenue by Source						
1 State General Account - ongoing	\$80,770,800	46.51%	\$84,747,800	47.34%	\$3,977,000	4.92%
2 State General Account - one time	2,278,800	1.31%	832,100	0.46%	(1,446,700)	-63.49%
3 State Endowments		0.00%		0.00%	0	0.00%
4 Student Tuition and Fees	90,629,600	52.18%	93,423,300	52.19%	2,793,700	3.08%
5 Total Operating Revenues	\$173,679,200	100.00%	\$179,003,200	100.00%	\$5,324,000	3.07%
Expenses						
By Function:						
6 Instruction	\$84,487,607	49.53%	\$88,039,866	49.54%	\$3,552,259	4.20%
7 Research	4,209,380	2.47%	4,692,136	2.64%	482,756	11.47%
8 Public Service	1,518,438	0.89%	1,545,764	0.87%	27,326	1.80%
9 Library	7,266,866	4.26%	7,650,459	4.30%	383,593	5.28%
10 Student Services	8,510,270	4.99%	10,624,335	5.98%	2,114,065	24.84%
11 Student Financial Aid	1,617,278	0.95%		0.00%	(1,617,278)	-100.00%
12 Physical Plant	17,502,770	10.26%	18,977,418	10.68%	1,474,648	8.43%
13 Institutional Support	25,019,211	14.67%	24,703,007	13.90%	(316,204)	-1.26%
14 Academic Support	17,761,080	10.41%	18,803,279	10.58%	1,042,199	5.87%
15 Auxiliaries		0.00%		0.00%	0	0.00%
16 Athletics	2,671,900	1.57%	2,693,236	1.52%	21,336	0.80%
17 Total Bdgt by Function	\$170,564,800	100.00%	\$177,729,500	100.00%	\$7,164,700	4.20%
18 By Expense Class:						
19 Personnel Costs:						
20 Salaries:						
21 Faculty	\$54,732,127	32.09%	\$53,382,413	30.04%	(\$1,349,714)	-2.47%
22 Executive/Admin	5,756,122	3.37%	6,842,909	3.85%	1,086,787	18.88%
23 Managerial/Prof	25,227,080	14.79%	28,688,054	16.14%	3,460,974	13.72%
24 Classified	10,281,157	6.03%	11,027,808	6.20%	746,651	7.26%
25 Grad Assist	4,211,635	2.47%	4,109,681	2.31%	(101,954)	-2.42%
26 Irregular Help	1,154,343	0.68%	994,578	0.56%	(159,765)	-13.84%
27 Total Salaries	\$101,362,464	59.43%	\$105,045,443	59.10%	\$3,682,979	3.63%
28 Personnel Benefits	36,242,603	21.25%	39,198,857	22.06%	2,956,254	8.16%
29 Total Pers Costs	\$137,605,067	80.68%	\$144,244,300	81.16%	\$6,639,233	4.82%
30 Operating Expense:						
31 Travel	\$579,388	0.34%	\$602,704	0.34%	23,316	4.02%
32 Utilities	3,692,406	2.16%	3,792,406	2.13%	100,000	2.71%
33 Insurance	878,992	0.52%	888,606	0.50%	9,614	1.09%
34 Other Oper. Exp	23,091,347	13.54%	23,444,584	13.19%	353,237	1.53%
35 Total Oper. Exp	\$28,242,133	16.56%	\$28,728,300	16.16%	\$486,167	1.72%
36 Capital Outlay:						
37 Depart Equipment	\$1,770,304	1.04%	\$1,809,604	1.02%	39,300	2.22%
38 Library Acquisitions	2,947,296	1.73%	2,947,296	1.66%	0	0.00%
39 Total Cap Outlay	\$4,717,600	2.77%	\$4,756,900	2.68%	\$39,300	0.83%
40 Tot Bdgt by Exp Class	\$170,564,800	100.00%	\$177,729,500	100.00%	\$7,164,700	4.20%
41 One-time CEC/Bonus	\$1,149,100		\$0		(\$1,149,100)	
42 One-time Other	\$1,965,300		\$1,273,700		(\$691,600)	
43 Activity Total	\$173,679,200		\$179,003,200		\$5,324,000	3.07%
44 TOTAL FTE POSITIONS	1,474.62		1,561.40		86.78	5.88%

BOISE STATE UNIVERSITY

Summary of Salary Changes for FY2016 by Employee Group

Institution/Agency by Group	Existing Positions							Position Adjustments		Total			
	FY15 FTE	FY2015 FY15 Salary	Promotion	Perf/Exp/Merit	Salary Adjustments Equity	Total	% Incr	FTE	Salary Base	FY16 FTE	FY16 Salary	% change	
General Education (Approp Only)													
Faculty													
Professor	166.02	15,203,352.00	\$144,476	\$299,915	\$124,565	\$568,956	\$15,772,308	3.7%	4.16	-404,133	170.18	15,368,175	1.1%
Associate Professor	213.78	14,790,541.00	\$70,098	\$261,774	\$116,474	\$448,346	\$15,238,887	3.0%	-26.38	-1,825,121	187.40	13,413,766	-9.3%
Assistant Professor	148.42	8,372,036.00	\$3,993	\$239,103	\$422,906	\$666,002	\$9,038,038	8.0%	39.25	3,214,004	187.67	12,252,042	46.3%
Instr/Lect	108.22	5,266,198.00	\$0	\$104,572	\$52,478	\$157,050	\$5,423,248	3.0%	13.19	-64,818	121.41	5,358,430	1.8%
Part-Time Instructor	0.00	10,392,664.00	\$0	\$136,412	\$136,412	\$136,412	\$10,529,076	1.3%	0.00	-3,539,076	0.00	6,990,000	-32.7%
Total Faculty	636.44	54,024,791.00	\$218,567	\$1,041,777	\$716,423	\$1,976,767	\$56,001,558	3.7%	30.22	-2,619,144.90	666.66	53,382,413	-1.2%
Executive/Administrative	36.08	5,756,122.00	\$0	\$117,537	\$13,060	\$130,597	\$5,886,719	2.3%	7.11	956,190	43.19	6,842,909	18.9%
Managerial/Professional	452.47	25,827,080.00	\$249,237	\$587,463	\$731,407	\$1,568,107	\$27,395,187	6.1%	44.80	1,292,867	497.27	28,688,054	11.1%
Classified	349.63	10,281,157.00	\$21,402	\$185,399	\$417,995	\$624,796	\$10,905,953	6.1%	4.65	121,855	354.28	11,027,808	7.3%
Student/Teaching Assistant	0.00	4,211,635.00	\$0	\$0	\$0	\$0	\$4,211,635	0.0%	0.00	-101,954	0.00	4,109,681	-2.4%
Irregular Help	0.00	1,261,679.00	\$0	\$0	\$0	\$0	\$1,261,679	0.0%	0.00	-267,101	0.00	994,578	-21.2%
Total	1,474.62	101,362,464.00	\$489,206	\$1,932,176	\$1,878,885	\$4,300,267	\$105,662,731	4.2%	86.78	-617,288	1,561.40	105,045,443	3.6%
Idaho Small Business Development Center													
Faculty													
Professor						0	0	0.0%					
Associate Professor						0	0	0.0%					
Assistant Professor						0	0	0.0%					
Instr/Lect						0	0	0.0%					
Part-Time Instructor						0	0	0.0%					
Total Faculty		0	0	0	0	0	0	0.0%					
Executive/Administrative						0	0	0.0%					
Managerial/Professional	0.46	27,006		1,049	0	1,049	28,055	3.9%	0.26	19,582	0.72	47,637	
Classified						0	0	0.0%					
Student/Teaching Assistant						0	0	0.0%					
Irregular Help		0				0	0	0.0%		200,000	0.00	200,000	
Total	0.46	27,006	0	0	0	0	28,055	0.0%	0.26	19,582.00	0.72	247,637	
TechHelp													
Faculty													
Professor						\$0.00	0.00	0.0%					
Associate Professor						0	0	0.0%					
Assistant Professor						0	0	0.0%					
Instr/Lect						0	0	0.0%					
Part-Time Instructor						0	0	0.0%					
Total Faculty			0	0	0	0	0	0.0%					
Executive/Administrative						0	0	0.0%					
Managerial/Professional	1.73	116,170				0	116,170	0.0%	-1.73	-116,170	0.00	0	
Classified	0.00	0				0	0	0.0%				0	
Student/Teaching Assistant						0	0	0.0%					
Irregular Help										75,000		75,000	
Total	1.73	116,170	0	0	0	0	116,170	0.0%	-1.73	-116,170.00	0.00	0.00	

IDAHO STATE UNIVERSITY
FY2016 BUDGET OVERVIEW
Appropriated Funds

In this budget cycle, we continued the use of the Special Budget Consultation Committee (SBCC) to facilitate key budget discussions, deliberations, and recommendations. The SBCC included extensive representation of students, faculty, and staff.

The Board approved 3.3% tuition and fee increase reflected in this budget was reached after extensive internal deliberation and is ISU's lowest increase in twenty-seven years.

Key FY2016 budget priorities include continuing a strong fiscal discipline to target a tight budget scenario with resource reprioritization and strategic need-based allocation of state-approved funding increases. Student support will be maintained and enhanced when possible, sponsored research will continue to be actively developed and expanded, actions to mitigate some of the impact of financial aid cutbacks will continue, key infrastructure and deferred maintenance needs will be addressed as funding becomes available, and a strong focus on compensation equity will continue as ISU is far below institutions in Idaho and the nation.

A key component of the FY2016 budget was our continuing effort to maintain discipline on all University controllable costs. This is exercised through a range of university cost controls currently in place and through such means as our Increased Personnel Action Scrutiny (IPAS) system, which requires approval by the University Business Officers, and the Offices of Human Resources and Budget, as well as the Vice President for Finance and Administration, after first approvals by the applicable area line managers and Vice President are secured. New positions also require approval by the President. Another key means of exercising cost discipline is the use of the Quarterly Financial Measurement System and monthly area reviews with University Business Officers to receive early warning of any potentially emerging cost problems and the immediate implementation of appropriate control actions to contain them.

The FY2016 General Education operating budget totaling \$138,649,800 represents an increase of 4.69% over FY2015. State appropriations increased by \$3,140,600 in both permanent and one-time funding, representing a 4.50% increase. Budgeted revenue generated by student tuition is estimated to increase by \$3,072,400, or 4.91%. Through state appropriations, institutional reallocations, and student tuition and fee revenue, funding will be provided for personnel benefit cost increases, library inflation and support, capital replacement, Complete College Idaho, Meridian facility occupancy costs, the Career Path Internship program, graduate and teaching assistants, summer fellowships, Meridian Anatomy and Physiology Lab support, facility maintenance and operations, accreditation, institutional support, a funding reduction offset due to the Enrollment Workload Adjustment, and the 3% Change in Employee Compensation.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

At the encouragement of the Legislature, ISU will continue to invest in its employees. The compensation plan for FY2016 includes a performance increase with a 3% merit pool to provide faster salary advancement for higher performers in accordance with guidance from DFM and DHR. Classified minimum salaries will continue to be maintained at 75% of Policy in the State's FY2016 pay structure. The classified minimum hourly rate for benefitted positions will be raised to \$9.95, which is 3% above the federal poverty rate for a family of three. Further, limited equity and market adjustments will be provided for employees who are below market and/or paid inequitably, and who have received the highest performance rating.

The University has made concentrated efforts to strategically align expenditures and will continue to advance a culture of fiscal responsibility and effective financial management, both of which are essential for improving student opportunities and increasing access to a high-quality education.

IDAHO STATE UNIVERSITY
Budget Distribution by Activity and Expense Class
July 1, 2015 - June 30, 2016
Appropriated Funds

	FY2015 Original Budget		FY2016 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
Revenue by Source						
1 State General Account - ongoing	\$66,683,800	50.35%	\$69,054,400	49.80%	\$2,370,600	3.55%
2 State General Account - one time	562,700	0.42%	927,700	0.67%	365,000	64.87%
3 State Endowments	2,599,200	1.96%	3,004,200	2.17%	405,000	15.58%
4 Student Tuition and Fees	62,591,100	47.26%	65,663,500	47.36%	3,072,400	4.91%
5 Total Operating Revenues	\$132,436,800	100.00%	\$138,649,800	100.00%	\$6,213,000	4.69%
Expenses						
By Function:						
6 Instruction	\$62,660,918	48.32%	\$64,865,990	47.41%	\$2,205,072	3.52%
7 Research	4,846,201	3.74%	4,964,666	3.63%	118,465	2.44%
8 Public Service	0	0.00%	0	0.00%	0	0.00%
9 Library	5,490,128	4.23%	5,901,532	4.31%	411,404	7.49%
10 Student Services	6,417,983	4.95%	6,502,493	4.75%	84,510	1.32%
11 Student Financial Aid	3,215,555	2.48%	3,864,449	2.82%	648,894	20.18%
12 Physical Plant	18,805,245	14.50%	20,478,812	14.97%	1,673,567	8.90%
13 Institutional Support	14,131,519	10.90%	15,426,895	11.27%	1,295,376	9.17%
14 Academic Support	10,651,112	8.21%	11,264,571	8.23%	613,459	5.76%
15 Auxiliaries	0	0.00%	0	0.00%	0	0.00%
16 Athletics	3,451,900	2.66%	3,555,700	2.60%	103,800	3.01%
17 Total Bdgt by Function	\$129,670,561	100.00%	\$136,825,108	100.00%	\$7,154,547	5.52%
18 By Expense Class:						
19 Personnel Costs:						
20 Salaries:						
21 Faculty	\$36,441,514	28.10%	\$37,387,853	27.33%	\$946,339	2.60%
22 Executive/Admin	4,351,869	3.36%	4,608,605	3.37%	256,736	5.90%
23 Managerial/Prof	15,055,723	11.61%	16,243,102	11.87%	1,187,379	7.89%
24 Classified	12,111,226	9.34%	12,562,919	9.18%	451,693	3.73%
25 Grad Assist	1,934,432	1.49%	2,403,809	1.76%	469,377	24.26%
26 Irregular Help	3,691,408	2.85%	4,540,511	3.32%	849,103	23.00%
27 Total Salaries	\$73,586,172	56.75%	\$77,746,799	56.82%	\$4,160,627	5.65%
28 Personnel Benefits	27,256,153	21.02%	28,967,018	21.17%	1,710,865	6.28%
29 Total Pers Costs	\$100,842,325	77.77%	\$106,713,817	77.99%	\$5,871,492	5.82%
30 Operating Expense:						
31 Travel	\$551,490	0.43%	\$598,407	0.44%	46,917	8.51%
32 Utilities	4,764,570	3.67%	4,789,070	3.50%	24,500	0.51%
33 Insurance	757,989	0.58%	757,989	0.55%	0	0.00%
34 Other Oper. Exp	18,139,597	13.99%	19,376,001	14.16%	1,236,404	6.82%
35 Total Oper. Exp	\$24,213,646	18.67%	\$25,521,467	18.65%	\$1,307,821	5.40%
36 Capital Outlay:						
37 Depart Equipment	\$1,813,161	1.40%	\$1,788,395	1.31%	(24,766)	-1.37%
38 Library Acquisitions	2,801,429	2.16%	2,801,429	2.05%	0	0.00%
39 Total Cap Outlay	\$4,614,590	3.56%	\$4,589,824	3.35%	(\$24,766)	-0.54%
40 Tot Bdgt by Exp Class	\$129,670,561	100.00%	\$136,825,108	100.00%	\$7,154,547	5.52%
41 One-time CEC/Bonus	\$858,200		\$0		(858,200)	
42 One-time Other	\$1,908,039		\$1,824,692		(83,347)	
43 Activity Total	\$132,436,800		\$138,649,800		\$6,213,000	4.69%
44 TOTAL FTE POSITIONS	1,144.21		1,173.68		29.47	2.58%

IDAHO STATE UNIVERSITY

Summary of Salary Changes for FY2016 by Employee Group

Institution/Agency by Group	Existing Positions								Position Adjustments		Total	
	FTE	FY2015	Promotion	Salary Adjustments			FY2016		FTE	Salary Base	FY2016	
		Salary Base		Perf/Exp	Equity	Total	Salary	% Incr			FTE	Salary
General Education												
Faculty	450.87	30,958,407.41	166,608.81	770,172.23	33,964.59	970,745.63	31,929,153.04	3.14	8.68	166,270.24	459.55	\$32,095,423.28
Adjunct Faculty		5,483,106.34	6,864.00	87,043.72		93,907.72	5,577,014.06	1.71		-284,584.01		\$5,292,430.05
Executive/Administrative	30.54	4,351,868.58		144,591.75		144,591.75	4,496,460.33	3.32		112,144.59	30.54	\$4,608,604.92
Managerial/Professional	257.00	15,055,723.47		405,825.18	6,355.31	412,180.49	15,467,903.96	2.74	14.79	775,198.16	271.79	\$16,243,102.12
Classified	405.80	12,111,226.51		337,867.81	3,804.80	341,672.61	12,452,899.12	2.82	6.00	110,019.69	411.80	\$12,562,918.81
Teaching Assistant	0.00	1,934,431.68		61,264.64		61,264.64	1,995,696.32	3.17		408,112.48	0.00	\$2,403,808.80
Irregular Salaries	0.00	3,691,407.81				0.00	3,691,407.81	0.00		849,103.23	0.00	\$4,540,511.04
Total	1,144.21	\$73,586,171.80	\$173,472.81	\$1,806,765.33	\$44,124.70	\$2,024,362.84	\$75,610,534.64	2.75	29.47	\$2,136,264.38	1,173.68	\$77,746,799.02
Idaho Dental Education Program												
Faculty	2.00	117,270.40		1,227.20		1,227.20	118,497.60	1.05			2.00	\$118,497.60
Adjunct Faculty	0.00	65,155.20				0.00	65,155.20	0.00			0.00	\$65,155.20
Executive/Administrative	0.00	0.00				0.00	0.00	N/A			0.00	\$0.00
Managerial/Professional	1.25	96,086.74		3,859.50		3,859.50	99,946.24	4.02		-206.23	1.25	\$99,740.01
Classified	0.00	0.00				0.00	0.00	0.00			0.00	\$0.00
Teaching Assistant	0.00	0.00				0.00	0.00	N/A			0.00	\$0.00
Irregular Salaries	0.00	21,303.52				0.00	21,303.52	N/A		5,674.66	0.00	\$26,978.18
Total	3.25	\$299,815.86	\$0.00	\$5,086.70	\$0.00	\$5,086.70	\$304,902.56	1.70	0.00	\$5,468.43	3.25	\$310,370.99
Idaho Museum of Natural History												
Faculty	0.17	13,369.88		536.99		536.99	13,906.87	4.02			0.17	\$13,906.87
Adjunct Faculty		0.00				0.00	0.00					\$0.00
Executive/Administrative	0.41	56,285.62				0.00	56,285.62	0.00			0.41	\$56,285.62
Managerial/Professional	5.30	203,428.08		5,379.49		5,379.49	208,807.57	2.64			5.30	\$208,807.57
Classified	1.20	35,771.84		1,077.44		1,077.44	36,849.28	3.01			1.20	\$36,849.28
Teaching Assistant	0.00	0.00				0.00	0.00	N/A			0.00	\$0.00
Irregular Salaries	0.00	12,922.14				0.00	12,922.14	N/A		-1,262.59	0.00	\$11,659.55
Total	7.08	\$321,777.56	\$0.00	\$6,993.92	\$0.00	\$6,993.92	\$328,771.48	2.17	0.00	-\$1,262.59	7.08	\$327,508.89
Family Practice Residency												
Faculty	1.50	230,392.21		7,520.03		7,520.03	237,912.24	3.26	-0.50	-42,482.30	1.00	\$195,429.94
Adjunct Faculty		821.08				0.00	821.08			640.87		\$1,461.95
Executive/Administrative	0.00	0.00				0.00	0.00	N/A			0.00	\$0.00
Managerial/Professional	1.80	191,000.74		2,174.73		2,174.73	193,175.47	1.14	1.00	72,951.15	2.80	\$266,126.62
Classified	1.00	31,075.20		1,248.00		1,248.00	32,323.20	4.02	1.00	33,030.40	2.00	\$65,353.60
Teaching Assistant	0.00	0.00				0.00	0.00	N/A			0.00	\$0.00
Irregular Salaries	0.00	0.00				0.00	0.00	N/A			0.00	\$0.00
Total	4.30	\$453,289.23	\$0.00	\$10,942.76	\$0.00	\$10,942.76	\$464,231.99	2.41	1.50	\$64,140.12	5.80	\$528,372.11

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

UNIVERSITY OF IDAHO
FY2016 BUDGET OVERVIEW
Appropriated Funds

The FY2016 General Education operating budget totals \$164,445,000 with \$163,431,800 in permanent base funding and \$1,013,200 in one-time funding. Key base funding from the state includes:

- Salary Increases (CEC): \$1,839,000
 - This amount covers approximately 60% of the CEC cost for the university's Education and General budget leaving \$1.2m to be covered from other sources, primarily student tuition.
- Benefit Increases: \$469,700
 - This amount covers approximately 28% of the estimated benefit costs for the Education and General budget leaving \$1.2m to be covered from other sources, primarily student tuition.
- Complete College Idaho: \$557,100
 - This new appropriation represents 54% of the total CCI request of \$1,034,000. These funds will be used to fund key academic advising positions.
- Employment Readiness: \$506,400
 - This new appropriation represents 34% of the total base Employment Readiness request of \$1,294,000. These funds will be used for director positions in our Undergraduate Research Opportunity and Internship Programs as well as staff positions in Career and Placement Advising.

Overall the base state general fund appropriation for the University of Idaho is increasing from \$79,120,500 in FY2015 to \$81,548,300 in FY2016, an increase of 3.1%.

The Board approved an undergraduate resident student tuition and fee increase of 3.5% or \$236 per academic year. The ASUI leadership once again provided key support for the operating budget, in this case by limiting the student activity fee increase for the coming year to 1.6%. These increases were focused on the maintenance of current operations including Change in Employee Compensation (CEC), benefit rate changes and repair and replacement of critical equipment. This action by student leadership enabled the majority of the student tuition and fee increase to go to tuition, which is the primary source of flexible dollars to meet the institution's key operating budget needs. There were no increases to the facility or technology fees for FY16.

The Board approved professional fee increases for the Colleges of Law and Art and Architecture as well as program fee increases for the Executive MBA and MOSS Environmental Education Graduate programs. These increases will enable these programs to sustain quality and further invest in student success.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

The University continues to focus on ensuring that all university resources are used in an effective manner to meet the strategic priorities of the university. Within the General Education budget these efforts for the coming year include for the 3% CEC, a critical need of the university as we try to compete for the best faculty and staff on the behalf of our students. In addition, we used increased state funding to help cover the increased costs of providing medical benefits to our employees, and, together with the funds received through the basic fee increase, to meet obligated cost increases for utilities, contracts, faculty promotions, and inflationary costs in Library serials and periodicals.

We believe the budget you see here will provide a sound base from which to grow an effective and efficient institution that can continue to meet its key roles in education, research and outreach.

UNIVERSITY OF IDAHO
Budget Distribution by Activity and Expense Class
July 1, 2015 - June 30, 2016
Appropriated Funds

	FY2015 Original Budget		FY2016 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
Revenue by Source						
1 State General Account - ongoing	\$79,120,500	49.18%	\$81,548,300	49.59%	\$2,427,800	3.07%
2 State General Account - one time	3,003,900	1.87%	1,013,200	0.62%	(1,990,700)	-66.27%
3 State Endowments	8,356,800	5.19%	9,171,600	5.58%	814,800	9.75%
4 Student Tuition and Fees	70,384,528	43.75%	72,711,900	44.22%	2,327,372	3.31%
5 Total Operating Revenues	\$160,865,728	100.00%	\$164,445,000	100.00%	\$3,579,272	2.23%
Expenses						
By Function:						
6 Instruction	\$65,622,683	41.57%	\$66,825,148	40.89%	\$1,202,465	1.83%
7 Research	5,505,125	3.49%	6,020,288	3.68%	515,163	9.36%
8 Public Service	654	0.00%	644	0.00%	(10)	-1.53%
9 Library	9,344,682	5.92%	9,742,835	5.96%	398,153	4.26%
10 Student Services	7,905,747	5.01%	9,510,508	5.82%	1,604,761	20.30%
11 Student Financial Aid	6,729,243	4.26%	6,871,448	4.20%	142,205	2.11%
12 Physical Plant	27,247,634	17.26%	27,248,901	16.67%	1,267	0.00%
13 Institutional Support	20,296,667	12.86%	21,198,428	12.97%	901,761	4.44%
14 Academic Support	11,516,193	7.30%	12,089,400	7.40%	573,207	4.98%
15 Auxiliaries		0.00%		0.00%	0	0.00%
16 Athletics	3,693,200	2.34%	3,924,200	2.40%	231,000	6.25%
17 Total Bdgt by Function	\$157,861,828	100.00%	\$163,431,800	100.00%	\$5,569,972	3.53%
18 By Expense Class:						
19 Personnel Costs:						
20 Salaries:						
21 Faculty	\$43,383,308	27.48%	\$45,177,849	27.64%	\$1,794,541	4.14%
22 Executive/Admin	5,721,561	3.62%	6,165,817	3.77%	444,256	7.76%
23 Managerial/Prof	14,667,281	9.29%	15,399,100	9.42%	731,819	4.99%
24 Classified	16,832,450	10.66%	17,698,795	10.83%	866,345	5.15%
25 Grad Assist	3,449,177	2.18%	3,552,662	2.17%	103,485	3.00%
26 Irregular Help	1,018,937	0.65%	1,053,841	0.64%	34,904	3.43%
27 Total Salaries	\$85,072,714	53.89%	\$89,048,064	54.49%	\$3,975,350	4.67%
28 Personnel Benefits	26,295,854	16.66%	29,045,216	17.77%	2,749,362	10.46%
29 Total Pers Costs	\$111,368,568	70.55%	\$118,093,280	72.26%	\$6,724,712	6.04%
30 Operating Expense:						
31 Travel	\$375,537	0.24%	\$372,450	0.23%	(3,087)	-0.82%
32 Utilities & Debt Service	10,166,072	6.44%	10,187,122	6.23%	21,050	0.21%
33 Insurance	885,685	0.56%	763,785	0.47%	(121,900)	-13.76%
34 Other Oper. Exp	29,149,771	18.47%	27,767,026	16.99%	(1,382,745)	-4.74%
35 Total Oper. Exp	\$40,577,065	25.70%	\$39,090,383	23.92%	(\$1,486,682)	-3.66%
36 Capital Outlay:						
37 Depart Equipment	\$581,640	0.37%	\$566,582	0.35%	(15,058)	-2.59%
38 Library Acquisitions	5,334,555	3.38%	5,681,555	3.48%	347,000	6.50%
39 Total Cap Outlay	\$5,916,195	3.75%	\$6,248,137	3.82%	\$331,942	5.61%
40 Tot Bdgt by Exp Class	\$157,861,828	100.00%	\$163,431,800	100.00%	\$5,569,972	3.53%
41 One-time CEC/Bonus	\$0		\$0		\$0	
42 One-time Other	\$3,003,900		\$1,013,200		(\$1,990,700)	
43 Activity Total	\$160,865,728		\$164,445,000		\$3,579,272	2.23%
44 TOTAL FTE POSITIONS	1,239.70		1,251.33		11.63	0.94%

UNIVERSITY OF IDAHO
Summary of Salary Changes for FY2016 by Employee Group

Institution/Agency by Group	FY2015 Budget Book *		Annual Salary Process							Midyear Changes and Position Adjustments		FY2016 Budget Book		
	FY2015		Salary Adjustments					FY2016		FTE	Salary Base	FTE	Salary	% Incr
	FTE	Salary Base	Promotion	Merit	Equity/Other	Across the Board	Total	Salary	% Incr					
General Education (U1)														
Faculty														
Professor	157.97	\$ 15,098,757.00	\$ -	\$ 356,479.17	\$ -	\$ -	\$ 356,479.17	\$ 15,455,236.17	2.36%	(7.31)	\$ (746,574.17)	150.66	\$ 14,708,662.00	-2.58%
Associate Professor	142.04	10,069,132.00	66,891.60	283,281.48	-	-	350,173.08	10,419,305.08	3.48%	0.62	338,106.92	142.66	10,757,412.00	6.84%
Assistant Professor	104.60	6,482,590.00	56,406.60	243,118.51	-	-	299,525.11	6,782,115.11	4.62%	13.92	841,642.89	118.52	7,623,758.00	17.60%
Other	124.21	11,732,829.00	2,500.00	352,355.83	-	-	354,855.83	12,087,684.83	3.02%	0.22	332.17	124.43	12,088,017.00	3.03%
Total Faculty	528.82	\$ 43,383,308.00	\$ 125,798.20	\$ 1,235,234.99	\$ -	\$ -	\$ 1,361,033.19	\$ 44,744,341.19	3.14%	7.45	\$ 433,507.81	536.27	\$ 45,177,849.00	4.14%
Executive/Administrative	38.22	5,721,561.00	10,300.00	134,796.56	-	-	145,096.56	5,866,657.56	2.54%	0.66	299,159.44	38.88	6,165,817.00	7.76%
Managerial/Professional	228.80	14,667,281.00	-	401,866.28	-	-	401,866.28	15,069,147.28	2.74%	(4.58)	329,952.72	224.22	15,399,100.00	4.99%
Classified	443.86	16,832,450.00	-	544,370.37	-	-	544,370.37	17,376,820.37	3.23%	8.10	321,974.63	451.96	17,698,795.00	5.15%
Teaching Assistant	-	3,449,177.00	-	103,489.14	-	-	103,489.14	3,552,666.14	3.00%	-	(4.14)	-	3,552,662.00	3.00%
Irregular Help	-	1,018,937.00	-	-	-	-	-	1,018,937.00	0.00%	-	34,904.00	-	1,053,841.00	3.43%
Total	1,239.70	\$ 85,072,714.00	\$ 136,098.20	\$ 2,419,757.34	\$ -	\$ -	\$ 2,555,855.54	\$ 87,628,569.54	3.00%	11.63	\$ 1,419,494.46	1,251.33	\$ 89,048,064.00	4.67%

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

LEWIS-CLARK STATE COLLEGE
FY2016 BUDGET OVERVIEW
Appropriated Funds

LCSC's FY2016 General Fund budget of \$15,687,900 represents a 10.8% increase in appropriated General Fund dollars compared to FY2015, reflecting additional funding to cover increased employee salary and benefit costs, continued funding of the College's "CCI/60%" line item request (\$299,600), a \$209,700 increment to initiate the College's Work Scholars program, and \$810,700 one-time funding for replacement capital outlay. General Fund dollars were provided to cover approximately half of the Legislature's adopted 3% CEC increase and health insurance bump. A portion of the CEC increase and increased employee benefit costs will be borne by LCSC students—a request to fund shift these dollars to the General Fund was not approved for FY2016. One-time replacement capital outlay funding will be used to address critical technological and equipment needs across campus in FY16.

The cumulative negative impact of austere budgets since FY2009 will be partially offset by increased tuition and fees (fees). A 1.7% increase in fees for LCSC students was approved by the State Board of Education in April 2015—the projected revenue from this increase will be used to fund the CEC and benefit costs allocated to student fees by the Legislature, and to provide a modest pool of funding for faculty promotions and equity adjustments. Based on our enrollment projections and the newly-approved fees level, we estimate that approximately \$15.3 M in student fees will be generated in FY2016. An increase in Normal School Endowment funds (\$1,804,200 in FY2016 compared to \$1,572,000 in FY2015) will help offset increased operating costs. LCSC's Professional-Technical Education (P.T.E.) appropriation for FY2016 (\$4,258,256) provides funding for salary and benefit increases, and one additional position in Automated Manufacturing. One-time funds totaling \$81,000 were also received for FY16, and will be used to address critical equipment needs in the PTE program.

The total of the budget components outlined above (General Fund, Student Fees, Normal School Endowment, and P.T.E. dollars) equals LCSC's FY2016 Total General Education and Professional-Technical Education budget of \$37,017,256.

LCSC's General Education personnel structure will increase slightly in FY2016, to a total of 346.27 FTE on board. Our legislative appropriation included funding for 5 new positions (four for CCI, and one for College Work Scholars).

Looking ahead to FY2017 and beyond, LCSC will work to secure additional funds for Personnel, Operating Expense, and Capital Outlay accounts to continue to expand student programs to meet the State Board's "60%" target, sustain campus infrastructure, rebuild financial reserves, and narrow the compensation gap between LCSC employees and their counterparts at peer institutions. LCSC is committed to maintaining sound stewardship of our FY2016 operating funds and to efficiently and effectively deliver the instructional programs within our Board-assigned mission areas, while preserving student access to quality educational services.

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LEWIS-CLARK STATE COLLEGE
Budget Distribution by Activity and Expense Class
July 1, 2015 - June 30, 2016
Appropriated Funds

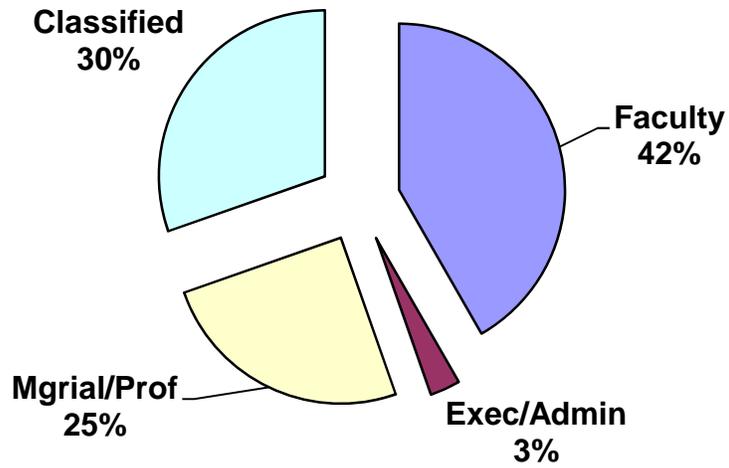
	FY2015 Original Budget		FY2016 Original Budget		Changes from Prior Year	
	Amount	% of Total	Amount	% of Total	Amount	% Chge
Revenue by Source						
1 State General Account - ongoing	\$14,061,900	47.05%	\$14,862,200	45.37%	\$800,300	5.69%
2 State General Account - one time	102,000	0.34%	825,700	2.52%	723,700	709.51%
3 State Endowments	1,505,200	5.04%	1,804,200	5.51%	299,000	19.86%
4 Student Tuition and Fees	14,215,000	47.57%	15,266,900	46.60%	1,051,900	7.40%
5 Total Operating Revenues	\$29,884,100	100.00%	\$32,759,000	100.00%	\$2,874,900	9.62%
Expenses						
By Function:						
6 Instruction	\$14,418,414	48.41%	\$15,180,013	47.54%	\$761,599	5.28%
7 Research	138,287	0.46%	148,104	0.46%	9,817	7.10%
8 Public Service	320,541	1.08%	325,622	1.02%	5,081	1.59%
9 Library	1,230,537	4.13%	1,308,771	4.10%	78,234	6.36%
10 Student Services	2,536,180	8.52%	2,704,108	8.47%	167,928	6.62%
11 Student Financial Aid	540,000	1.81%	540,000	1.69%	0	0.00%
12 Physical Plant	2,984,608	10.02%	3,043,727	9.53%	59,119	1.98%
13 Institutional Support	4,148,766	13.93%	4,967,784	15.56%	819,018	19.74%
14 Academic Support	2,458,817	8.26%	2,578,276	8.07%	119,459	4.86%
15 Auxiliaries	11,400	0.04%	11,400	0.04%	0	0.00%
16 Athletics	994,550	3.34%	1,125,495	3.52%	130,945	13.17%
17 Total Bdgt by Function	\$29,782,100	100.00%	\$31,933,300	100.00%	\$2,151,200	7.22%
18 By Expense Class:						
19 Personnel Costs:						
20 Salaries:						
21 Faculty	\$8,641,570	29.02%	\$9,072,423	28.41%	\$430,853	4.99%
22 Executive/Admin	1,288,307	4.33%	1,339,786	4.20%	51,479	4.00%
23 Managerial/Prof	3,939,203	13.23%	4,246,505	13.30%	307,302	7.80%
24 Classified	2,653,920	8.91%	2,808,786	8.80%	154,866	5.84%
25 Grad Assist		0.00%		0.00%	0	0.00%
26 Irregular Help	483,100	1.62%	469,300	1.47%	(13,800)	-2.86%
27 Total Salaries	\$17,006,100	57.10%	\$17,936,800	56.17%	\$930,700	5.47%
28 Personnel Benefits	7,086,600	23.79%	7,555,300	23.66%	468,700	6.61%
29 Total Pers Costs	\$24,092,700	80.90%	\$25,492,100	79.83%	\$1,399,400	5.81%
30 Operating Expense:						
31 Travel	\$0	0.00%	\$0	0.00%	0	0.00%
32 Utilities	888,000	2.98%	888,000	2.78%	0	0.00%
33 Insurance	186,300	0.63%	186,300	0.58%	0	0.00%
34 Other Oper. Exp	4,181,100	14.04%	4,912,900	15.38%	731,800	17.50%
35 Total Oper. Exp	\$5,255,400	17.65%	\$5,987,200	18.75%	\$731,800	13.92%
36 Capital Outlay:						
37 Depart Equipment	\$91,000	0.31%	\$91,000	0.28%	0	0.00%
38 Library Acquisitions	343,000	1.15%	363,000	1.14%	20,000	5.83%
39 Total Cap Outlay	\$434,000	1.46%	\$454,000	1.42%	\$20,000	4.61%
40 Tot Bdgt by Exp Class	\$29,782,100	100.00%	\$31,933,300	100.00%	\$2,151,200	7.22%
41 One-time CEC/Bonus	\$102,000		\$0		(102,000)	
42 One-time Other	\$0		\$825,700		825,700	
43 Activity Total	\$29,884,100		\$32,759,000		\$2,874,900	9.62%
44 TOTAL FTE POSITIONS	338.57		346.27		7.70	2.27%

LEWIS-CLARK STATE COLLEGE

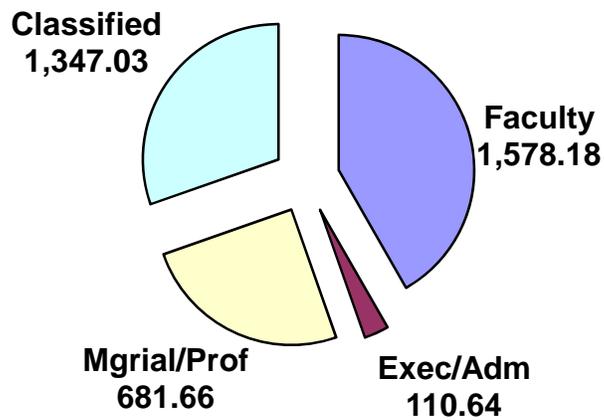
Summary of Salary Changes for FY2016 by Employee Group

Institution/Agency by Group	Existing Positions								Position Adjustments		Total	
	FY2015		Salary Adjustments			FY2016		FTE	Salary Base	FY2016		
	FTE	Salary Base	Promotion	Merit (CEC)	Equity	Total	Salary			% Incr	FTE	Salary Base
General Education												
Faculty												
Professor	45.00	2,788,186	14,000	68,270	50,650	132,920	2,921,106	4.77	(4.00)	(242,648)	41.00	2,678,458
Associate Professor	24.50	1,288,778	55,000	49,251	19,700	123,951	1,412,729	9.62	8.50	434,616	33.00	1,847,345
Assistant Professor	46.50	2,259,613		44,131	24,350	68,481	2,328,094	3.03	(1.00)	(112,611)	45.50	2,215,483
Instr/Lect	27.00	1,162,993		26,284	12,000	38,284	1,201,277	3.29	(1.51)	(57,139)	25.49	1,144,138
Part-Time Instructor	0.00	1,142,000				0	1,142,000	0.00		45,000	0.00	1,187,000
Total Faculty	143.00	8,641,570	69,000	187,935	106,700	363,635	9,005,205	4.21	1.99	67,218	144.99	9,072,423
Executive/Administrative	13.90	1,288,307		36,792	14,542	51,334	1,339,641	3.98		145	13.90	1,339,786
Managerial/Professional	85.96	3,939,203		116,849	42,375	159,224	4,098,427	4.04	3.57	148,078	89.53	4,246,505
Classified	95.71	2,653,920		78,668	27,729	106,397	2,760,317	4.01	2.14	48,469	97.85	2,808,786
Irregular Help	0.00	483,100				0	483,100	0.00		(13,800)	0.00	469,300
Total	338.57	17,006,100	69,000	420,244	191,346	680,590	17,686,690	4.00	7.70	250,110	346.27	17,936,800
Prof'l-Tech'l Education												
Faculty												
Professor	23.00	1,247,118		33,792	12,250	46,042	1,293,160	3.69	(2.00)	(109,049)	21.00	1,184,111
Associate Professor	5.00	214,076		6,422	2,500	8,922	222,998	4.17	1.00	45,000	6.00	267,998
Assistant Professor	9.00	396,359		7,306	2,500	9,806	406,165	2.47	2.00	83,661	11.00	489,826
Instr/Lect	0.00	0				0	0	0.00			0.00	0
Part-Time Instructor	0.00	0				0	0	0.00			0.00	0
Total Faculty	37.00	1,857,553	0	47,520	17,250	64,770	1,922,323	3.49	1.00	19,612	38.00	1,941,935
Executive/Administrative	1.10	95,506		2,994	2,058	5,052	100,558	5.29			1.10	100,558
Managerial/Professional	8.03	433,664		11,620	1,827	13,447	447,111	3.10	(0.03)	(4,641)	8.00	442,470
Classified	8.45	238,473		6,512	2,582	9,094	247,567	3.81	(0.08)	(131)	8.37	247,436
Irregular Help	0.00	5,260				0	5,260	N/A		18,327	0.00	23,587
Total	54.58	2,630,456	0	68,646	23,717	92,363	2,722,819	3.51	0.89	33,167	55.47	2,755,986
Local Funds (incl G&K)												
Faculty												
Professor	0.00	0				0	0	0.00			0.00	0
Associate Professor	1.00	52,584		1,577		1,577	54,161	0.00			1.00	54,161
Assistant Professor	0.50	23,782		690		690	24,472	0.00		(782)	0.50	23,690
Instr/Lect	2.10	99,826		1,628		1,628	101,454	0.00	(0.48)	(31,748)	1.62	69,706
Part-Time Instructor	0.00	0				0	0	0.00			0.00	0
Total Faculty	3.60	176,192	0	3,895	0	3,895	180,087	0.00	(0.48)	(32,530)	3.12	147,557
Executive/Administrative	0.00	0				0	0	N/A			0.00	0
Managerial/Professional	31.56	1,355,650		40,459	6,985	47,444	1,403,094	3.50	(0.49)	(50,336)	31.07	1,352,758
Classified	25.14	681,246		17,140	1,889	19,029	700,275	2.79	(0.77)	(16,447)	24.37	683,828
Irregular Help	0.00	0				0	0	0.00			0.00	0
Total	60.30	2,213,088	0	61,494	8,874	70,368	2,283,456	3.18	(1.74)	(99,313)	58.56	2,184,143
ALL FUNDS TOTAL												
Faculty												
Professor	68.00	4,035,304	14,000	102,062	62,900	178,962	4,214,266	4.43	(6.00)	(351,697)	62.00	3,862,569
Associate Professor	30.50	1,555,438	55,000	57,250	22,200	134,450	1,689,888	8.64	9.50	479,616	40.00	2,169,504
Assistant Professor	56.00	2,679,754	0	52,126	26,850	78,976	2,758,730	2.95	1.00	(29,732)	57.00	2,728,998
Instr/Lect	29.10	1,262,819	0	27,912	12,000	39,912	1,302,731	3.16	(1.99)	(88,887)	27.11	1,213,844
Part-Time Instructor	0.00	1,142,000	0	0	0	0	1,142,000	0.00	0.00	45,000	0.00	1,187,000
Total Faculty	183.60	10,675,315	69,000	239,350	123,950	432,300	11,107,615	4.05	2.51	54,300	186.11	11,161,915
Executive/Administrative	15.00	1,383,813	0	39,786	16,600	56,386	1,440,199	4.07	0.00	145	15.00	1,440,344
Managerial/Professional	125.55	5,728,517	0	168,928	51,187	220,115	5,948,632	3.84	3.05	93,101	128.60	6,041,733
Classified	129.30	3,573,639	0	102,320	32,200	134,520	3,708,159	3.76	1.29	31,891	130.59	3,740,050
Irregular Help	0.00	488,360	0	0	0	0	488,360	0.00	0.00	4,527	0.00	492,887
Total	453.45	21,849,644	69,000	550,384	223,937	843,321	22,692,965	3.86	6.85	183,964	460.30	22,876,929

**College & Universities
FY16 Budgeted Positions by Type - % of Total**



**College & Universities
FY16 Budgeted Positions by Type - FTP**



COLLEGE & UNIVERSITIES
Operating Budget Personnel Costs Summary
July 1, 2015 - June 30, 2016

Classification	FY2015 Original Budget				FY2016 Original Budget			
	FTE	Salaries	Benefits	Total	FTE	Salaries	Benefits	Total
BOISE STATE UNIVERSITY								
1 Faculty	636.44	\$54,732,127	\$17,940,043	\$72,672,170	666.66	\$53,382,413	\$20,643,748	\$74,026,161
2 Executive/Administrative	36.08	5,756,122	\$1,657,927	7,414,049	43.19	6,842,909	\$2,726,533	9,569,442
3 Managerial/Professional	452.47	25,227,080	\$10,371,448	35,598,528	497.27	28,688,054	\$11,295,635	39,983,689
4 Classified	349.63	10,281,157	\$6,000,829	16,281,986	354.28	11,027,808	\$4,284,551	15,312,359
5 Irregular Help		1,154,343	103,891	1,258,234		994,578	84,003	1,078,581
6 Graduate Assistants		4,211,635	168,465	4,380,100		4,109,681	164,387	4,274,068
7 TOTAL	1,474.62	\$101,362,464	\$36,242,603	\$137,605,067	1,561.40	\$105,045,443	\$39,198,857	\$144,244,300
8			Number of New Positions		86.78			
9								
10								
IDAHO STATE UNIVERSITY								
12 Faculty	450.87	\$36,441,514	\$12,704,173	\$49,145,687	459.55	\$37,387,853	\$13,310,039	\$50,697,892
13 Executive/Administrative	30.54	4,351,869	1,219,033	5,570,902	30.54	4,608,605	1,289,436	5,898,041
14 Managerial/Professional	257.00	15,055,723	5,887,585	20,943,308	271.79	16,243,102	6,445,635	22,688,737
15 Classified	405.80	12,111,226	7,073,135	19,184,361	411.80	12,562,919	7,524,108	20,087,027
16 Irregular Help		3,691,408	363,569	4,054,977		4,540,511	385,122	4,925,633
17 Graduate Assistants		1,934,432	8,658	1,943,090		2,403,809	12,678	2,416,487
18 TOTAL	1,144.21	\$73,586,172	\$27,256,153	\$100,842,325	1,173.68	\$77,746,799	\$28,967,018	\$106,713,817
19			Number of New Positions		29.47			
20								
21								
UNIVERSITY OF IDAHO								
23 Faculty	528.82	\$43,383,308	\$12,770,963	\$56,154,271	536.27	\$45,177,849	\$14,012,238	\$59,190,087
24 Executive/Administrative	38.22	5,721,561	1,397,241	7,118,802	38.88	6,165,817	2,065,571	8,231,388
25 Managerial/Professional	228.80	14,667,281	4,796,181	19,463,462	224.22	15,399,100	5,819,617	21,218,717
26 Classified	443.86	16,832,450	7,093,189	23,925,639	451.96	17,698,795	6,802,537	24,501,332
27 Irregular Help		1,018,937	203,787	1,222,724		1,053,841	258,214	1,312,055
28 Graduate Assistants		3,449,177	34,493	3,483,670		3,552,662	87,039	3,639,701
29 TOTAL	1,239.70	\$85,072,714	\$26,295,854	\$111,368,568	1,251.33	\$89,048,064	\$29,045,216	\$118,093,280
30			Number of New Positions		11.63			
31								
32								
LEWIS CLARK STATE COLLEGE								
34 Faculty	143.00	\$8,641,570	\$3,268,427	\$11,909,997	144.99	\$9,072,423	\$3,449,137	\$12,521,560
35 Executive/Administrative	13.90	1,288,307	411,164	1,699,471	13.90	1,339,786	433,149	1,772,935
36 Managerial/Professional	85.96	3,939,203	1,752,668	5,691,871	89.53	4,246,505	1,906,267	6,152,772
37 Classified	95.71	2,653,920	1,612,746	4,266,666	97.85	2,808,786	1,726,486	4,535,272
38 Irregular Help		483,100	41,595	524,695		469,300	40,261	509,561
39 Graduate Assistants		0	0	0		0	0	0
40 TOTAL	338.57	\$17,006,100	\$7,086,600	\$24,092,700	346.27	\$17,936,800	\$7,555,300	\$25,492,100
41			Number of New Positions		7.70			
42								
43								
TOTAL COLLEGE & UNIVERSITIES								
45 Faculty	1,759.13	\$143,198,519	\$46,683,606	\$189,882,125	1,807.47	\$145,020,538	\$51,415,162	\$196,435,700
46 Exec/Admin	118.74	17,117,859	4,685,365	21,803,224	126.51	18,957,117	6,514,689	25,471,806
47 Mgrial/Prof	1,024.23	58,889,287	22,807,882	81,697,169	1,082.81	64,576,761	25,467,154	90,043,915
48 Classified	1,295.00	41,878,753	21,779,899	63,658,652	1,315.89	44,098,308	20,337,682	64,435,990
49 Irregular Help	0.00	6,347,788	712,842	7,060,630	0.00	7,058,230	767,600	7,825,830
50 Graduate Assistants	0.00	9,595,244	211,616	9,806,860	0.00	10,066,152	264,104	10,330,256
51 TOTAL	4,197.10	\$277,027,450	\$96,881,210	\$373,908,660	4,332.68	\$289,777,106	\$104,766,391	\$394,543,497
52			Number of New Positions		135.58			

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

POSTSECONDARY PROFESSIONAL-TECHNICAL EDUCATION SYSTEM
FISCAL YEAR 2016 BUDGET OVERVIEW

Funds are appropriated to the State Division of Professional-Technical Education for professional-technical education programs and services. The State Board of Education approved the allocation of the appropriation for postsecondary professional-technical education at its April 15-16, 2015 meeting. The State Division of Professional-Technical Education requests approval of the FY2016 Operating Budget for the Postsecondary Professional-Technical Education System.

The allocation and reallocation of funds for the FY2016 Postsecondary Professional-Technical Education System is based on the Strategic Plan for Professional-Technical Education in Idaho, as well as Board and Legislative Intent.

The FY2016 budget reflects an overall increase in the on-going budget of \$1,982,100 or 5.39%. The increase in the on-going state allocation includes: (1) \$825,000 for a 3% CEC increase; (2) \$287,400 for employee benefit cost increases; and (3) 3 faculty positions, \$191,500 in personnel costs and \$215,200 in operating expenses for Advanced Manufacturing programs; and (4) inflationary increases of \$3,500 for central services.

In addition, the Legislature appropriated one-time capital outlay funding for Advanced Manufacturing of \$596,000 and \$169,800 one-time state general funds for replacement capital outlay.

The following schedules are provided for review:

Operating Budget Distribution by Activity and Expense Standard Class	Page 34
Operating Budget Personnel Costs Summary	Page 35

1 **Postsecondary Professional-Technical Education System**

2
3 **Operating Budget Distribution by Activity and Expense Standard Class**

4
5 **July 1, 2015 - June 30, 2016**

6					Change	
7		Original	Percent	Original	from	Percent
8		FY2015	of Total	FY2016	Prior Year	Change
9						
10	By Activity:					
11						
12	Instruction	35,754,519	92.56%	37,735,772	1,981,253	5.54%
13	Plant Maintenance & Operations	1,036,681	2.68%	1,037,528	847	0.08%
14	One-Time Funds	1,836,800	4.76%	765,800	(1,071,000)	-58.31%
15						
16	Total Operating Budget	38,628,000	100.00%	39,539,100	911,100	2.36%
17						
18						
19	TOTAL BUDGET	<u>38,628,000</u>	<u>100.00%</u>	<u>39,539,100</u>	<u>911,100</u>	<u>2.36%</u>
20						
21						
22	By Expense Standard Class:					
23						
24	Personnel Costs:					
25	Faculty	14,960,456	40.66%	15,197,823	237,367	1.59%
26	Executive/Administrative	868,019	2.36%	949,735	81,716	9.41%
27	Managerial/Professional	3,194,086	8.68%	3,577,171	383,085	11.99%
28	Classified	3,738,971	10.16%	4,018,380	279,409	7.47%
29	Irregular Help	923,421	2.51%	997,829	74,408	8.06%
30						
31	Total Salaries	23,684,953	64.38%	24,740,938	1,055,985	4.46%
32	Personnel Benefits	9,948,199	27.04%	10,242,011	293,812	2.95%
33						
34	Total Personnel Costs	33,633,152	91.42%	34,982,949	1,349,797	4.01%
35						
36						
37	Operating Expenses:	3,158,048	8.58%	3,790,352	632,304	20.02%
38						
39						
40	Capital Outlay:	0	0.00%	0	0	0.00%
41						
42						
43	Total On-Going Operating Budget	36,791,200	100.00%	38,773,301	1,982,101	5.39%
44						
45	One-Time Personnel Costs	278,700		0	(278,700)	
46	One-Time Operating Expenses	176,700		0	(176,700)	
47	One-Time Capital Outlay	1,381,400		765,800	(615,600)	
48	Total One-Time Funds	1,836,800		765,800	(1,071,000)	
49						
50						
51	TOTAL BUDGET	<u>38,628,000</u>	<u>100.00%</u>	<u>39,539,101</u>	<u>911,101</u>	<u>2.36%</u>
52						
53	Total Full Time Positions (FTP)	<u>484.46</u>		<u>491.83</u>	<u>7.37</u>	<u>1.52%</u>

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**Postsecondary Professional-Technical Education System
Operating Budget Personnel Costs
Summary
July 1, 2015 - June 30, 2016**

	FY 2015 Operating Budget				FY 2016 Operating Budget			
Classification	FTP	Salaries	Benefits	Total	FTP	Salaries	Benefits	Total
Faculty	298.03	14,960,456	6,211,557	21,172,013	296.15	15,197,823	6,232,309	21,430,133
Exec/Admin	8.98	868,019	287,025	1,155,044	9.58	949,734	304,948	1,254,682
Manage/Prof	60.01	3,194,086	1,323,848	4,517,934	64.46	3,577,171	1,441,202	5,018,373
Classified	117.44	3,738,971	1,992,681	5,731,652	121.64	4,018,380	2,140,257	6,158,637
Irreg Help	0.00	923,421	133,088	1,056,509	0.00	997,829	123,294	1,121,124
TOTAL	484.46	23,684,953	9,948,199	33,633,152	491.83	24,740,937	10,242,011	34,982,948

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

University of Idaho
FY2016 Budget Overview
Agricultural Research and Extension Service

The Agricultural Research and Extension Service Appropriation (ARES) received an 8.6% increase in appropriation from FY16.

We continue to develop our strategic direction and realign and redirect our resources to promote the Programs of Distinction as identified in the strategic planning process completed during FY15. We have redirected resources and the efforts of current faculty and staff to grow these areas. With the addition of 5.5 FTP and funded technical support staff we will be able to recruit employees to market and communicate our successes and “tell our story”. ARES will also continue to identify alternate funding sources to supplement current funding to move toward an appropriate balance between personnel and operating expenditures.

In order to adequately serve the needs of the citizens and stakeholders of Idaho we must continue to modify our “road map” to the future and make appropriate changes in our programs and operations.

UNIVERSITY OF IDAHO
AVAILABILITY AND ALLOCATION OF FUNDS FOR FY2016
AGRICULTURAL RESEARCH AND EXTENSION SYSTEM

1 FUNDS AVAILABLE	FTE	AMOUNT
2		
3 FY2015 Operating Budget Base	285.24	\$ 26,453,700
4 Adjustments: Reappropriation		-
5 Adjustments: Appropriation Adjustment		-
6 Adjustments: Remove One-Time		(187,200)
7		
8		-
9 Adjustments: FTP Additions	-	-
10 Adjustments: FTP Adjustment	-	
11 FY2015 Adjusted Budget Base	<u>285.24</u>	<u>\$ 26,266,500</u>
12		
13 Additional Funding for FY2015		
14		\$ -
15		-
16 Total Funding Reduction	<u>-</u>	<u>\$ (187,200)</u>
17 Total Funds Available for FY2015	<u>285.24</u>	<u>\$ 26,266,500</u>
18		
19		
20		
21 ALLOCATION OF FUNDS		
22		
23 FY2015 Adjusted Budget Base	285.24	\$ 26,266,500
24		
25 MCO Increases/Decreases to Budget Base		
26 Operating Expense		\$ -
27 Inflationary Adjustments		\$ -
28 Benefit Costs		174,400
29 Change in Employee Compensation		566,400
30		
31 Total MCO Increases/Decreases	-	\$ 740,800
32		
33 Enhancements to Budget Base		
34 Increase in Personnel	9.62	\$ 1,528,900
35 Sheep Research Station	2.00	200,000
36 Total Enhancements	<u>11.62</u>	<u>\$ 1,728,900</u>
37		
38 Total Increases	<u>11.62</u>	<u>\$ 2,469,700</u>
39		
40 FY2016 Operating Budget	<u>296.86</u>	<u>\$ 28,736,200</u>

AGRICULTURAL RESEARCH & EXTENSION SERVICE

Operating Budget Personnel Costs Summary

July 1, 2015 - June 30, 2016

Classification	FY2015 Operating Budget				FY2016 Operating Budget			
	FTE	Salaries	Benefits	Total	FTE	Salaries	Benefits	Total
Faculty	171.64	\$11,053,578	\$4,068,346	\$15,121,924	173.75	\$13,727,397	\$2,520,120	\$16,247,517
Executive/Administrative	2.68	429,263	\$124,724	553,987	2.90	441,474	\$125,722	567,196
Managerial/Professional	30.74	1,508,834	\$677,346	2,186,180	31.94	1,746,708	\$683,663	2,430,371
Classified	80.18	2,726,025	\$1,482,506	4,208,531	88.27	3,487,719	\$1,587,994	5,075,713
Irregular Help		362,354	54,353	416,707		362,354	54,353	416,707
Graduate Assistants		244,625	2,446	247,071		251,967	2,519	254,486
TOTAL	285.24	\$16,324,679	\$6,409,721	\$22,734,400	296.86	\$20,017,619	\$4,974,371	\$24,991,990

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HEALTH EDUCATION PROGRAMS

FY 2016 Operating Budget

	FY 2015 BUDGET	FY 2016 BUDGET	PERCENT of CHANGE
1			
2	By Program:		
3	2,051,300	2,015,600	-1.74%
4	3,962,000	4,638,900	17.08%
5	1,705,500	1,753,600	2.82%
6	1,333,600	1,356,000	1.68%
7	2,241,800	2,936,900	31.01%
8	240,000	240,000	0.00%
9	121,400	157,800	29.98%
10	11,655,600	13,098,800	12.38%
11	By Fund Source:		
12	11,355,700	12,795,300	12.68%
13	299,900	303,500	1.20%
14	11,655,600	13,098,800	12.38%
15	By Expenditure Classification:		
16	2,196,300	2,579,600	17.45%
17	1,750,300	1,819,100	3.93%
18	108,600	37,500	-65.47%
19	7,600,400	8,662,600	13.98%
20	0	0	0.00%
21	11,655,600	13,098,800	12.38%
22	21.3	23.8	11.74%

23 Budget Overview

The FY 2016 budget for Health Education Programs reflects a 12.46% increase including contract inflation totaling \$84.3k, 3% ongoing CEC of \$58.5k, replacement items of \$32k, and benefit cost increases of \$12.1k. The reduction in WI Veterinary Education program reflects the removal of FY15 one-time funding . The WWAMI program received \$186K ongoing funds for the third year funding of the five-year Targeted Rural Under-Served Track medical students approved in FY 2014 and \$186k for the second year for the five medical students approved in FY 2015. WWAMI also received 1.00 FTP and \$287k to add five new first year medical students and for curriculum revisions. The Legislature also funded \$180k for the Kootenai Health Family Medicine Residencies Program as well as \$411k for the Family Medicine Residency of Idaho and 1.5FTP and \$91k for the Idaho State University Family Medicine Residency Program. Psychiatry Residencies Program also received \$36k to provide tele-psychiatry services in underserved

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SPECIAL PROGRAMS

FY 2016 Operating Budget

	FY 2015 BUDGET	FY 2016 BUDGET	PERCENT of CHANGE
1			
2 By Program:			
3 Forest Utilization Research	887,100	1,078,800	21.61%
4 Geological Survey	821,100	824,200	0.38%
5 Scholarships and Grants:			
6 Idaho Promise Scholarship - A	162,000	85,500	-47.22%
7 Idaho Promise Scholarship - B	67,500	0	0.00%
8 Atwell Parry Work Study Program	1,186,000	1,186,000	0.00%
9 Teachers/Nurses Loan Forgiveness	80,000	80,000	0.00%
10 Armed Forces/Public Safety Officers	120,000	120,000	0.00%
11 Scholarships Program Manager	60,100	61,600	2.50%
12 Opportunity Scholarship	5,047,800	5,191,800	2.85%
13 GEARUP Scholarship	1,688,400	2,083,400	23.39%
14 Unallocated Federal Appropriation	34,700		0.00%
15 Total Scholarships and Grants	<u>8,446,500</u>	<u>8,808,300</u>	4.28%
16 Museum of Natural History	503,900	486,000	-3.55%
17 Small Business Development Centers	260,500	567,700	117.93%
18 TechHelp	150,400	155,100	3.13%
19 Total Programs	<u><u>11,069,500</u></u>	<u><u>11,920,100</u></u>	7.68%
20 By Fund Source:			
21 General Fund	9,346,400	9,836,700	5.25%
22 Federal Funds	1,723,100	2,083,400	20.91%
23 Opportunity Scholarship Fund			0.00%
24 Total Funds	<u><u>11,069,500</u></u>	<u><u>11,920,100</u></u>	7.68%
25 By Expenditure Classification:			
26 Personnel Costs	2,420,300	2,968,600	22.65%
27 Operating Expenditures	146,100	174,100	19.16%
28 Capital Outlay	135,200	49,500	
29 Trustee/Benefit or Lump Sum Payments	8,367,900	8,727,900	4.30%
30 Total Expenditures	<u><u>11,069,500</u></u>	<u><u>11,920,100</u></u>	7.68%
31 Full Time Position	32.13	38.13	18.67%

Budget Overview

The FY 2016 budget for Special Programs reflects a 7.7% increase including an addition of \$19K in benefit cost increases, \$65k in 3% ongoing CEC, and \$43k in replacement capital. The Forest Utilization Research program received 1 FTP and \$112k to hire a forest research analyst and 1 FTP and \$108k for a rangeland resource management analyst. The GEARUP program received an additional \$360k one-time increase in federal funds spending authority for additional scholarships. The Small Business Development Center received 4 FTP and \$299k to add four business consultants.

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FY2016 SBOE ALTERATION AND REPAIR PROJECTS

AGENCY / INSTITUTION	DPW PROPOSED FUNDING	AGENCY REQUESTS	AGENCY PRIORITY
EDUCATION, STATE BOARD OF			
BOISE STATE UNIVERSITY			
Lower Roof Repair, Multipurpose Classroom Building	195,000	195,000	1
CCTV and Alarm System, Campus Wide	500,000	500,000	2
Fly Rail System Replacement, Special Events Center	200,000	200,000	3
Update Master Key Project Phase II	230,000	230,000	4
Campus Lighting Safety Improvements	540,000	540,000	5
Replace Obsolete HVAC Controllers, Multiple Buildings	200,000	200,000	6
Sidewalk Repair & Replacement		145,000	7
Domestic Water Upgrade, Science Building	475,000	475,000	8
Classroom Renovations (cont.), Various Buildings		225,000	9
Emergency Phone Replacement & Additions, Phase III		130,000	10
Fire Alarm Upgrade, Phase 8		105,000	11
Electronic Access Project, Phase 4		295,000	12
Elevator Upgrade, Multiple Buildings Phase 5		480,000	13
Campus Generator Monitoring, Multiple Buildings		325,000	14
Remove Smokestack, Heat Plant		100,000	15
NOT USED		0	16
Replace R-22 Chillers, Phase I		895,000	17
Information Technology Infrastructure		500,000	18
Asbestos Abatement		200,000	19
Window Replacement, Science & Education, Phase II		520,000	20
Replace R-22 Chiller, Math		540,000	21
Renovations for Teaching and Research Space, COAS, COEN, COE & COSSPA (cont.)		455,000	22
Exterior Repairs, Multiple Buildings		180,000	23
Carpeting Replacement, Albertsons Library		1,000,000	24
Update Master Key Project Phase III		230,000	25
Bicycle End-Trip Upgrades, Campus Wide		145,000	26
Space Consolidation and Renovation (cont.)		780,000	27
Repair Condensation Leak De-Humidifier System, Library		65,000	28
Windows and Doors, Albertsons Library		30,000	29
Visual Arts Center Lighting Replacement		50,000	30
Replace R-22 Chillers, Phase II		750,000	31
Replace Obsolete HVAC Controllers, Multiple Buildings, (cont.)		250,000	32
Classroom Renovations (cont.), Various Buildings		225,000	33
Pedestrian/Bicycle Circulation MP & Safety Improvements (cont.)		300,000	34
HVAC Upgrade- Yanke		850,000	35
Exterior Repairs, Morrison Center		50,000	36
Install 4 Pipe Heating/Cooling Systems, Liberal Arts		600,000	37
Replace Windows and Aluminum Frames, Albertsons Library		850,000	38
Replace 1'X1' Ceiling Tiles, Lobby, Education		200,000	39
Carpeting Replacement, Education		500,000	40
Replace Remaining 1'X1' Ceiling Tiles, Science Building		275,000	41
Replace Lab Casework, Science Building		631,000	42
Replace Vinyl Flooring, MEC		197,000	43
HVAC Upgrade, Campus School		150,000	44
Replace Carpeting, Morrison Center Academic		200,000	45
Replace 1'X1' Ceiling Tiles System, Morrison Center Academic		97,000	46
Carpeting Replacement, Simplot Micron Building		120,000	47
Upgrade JCI HVAC Controls, MEC		360,000	48
Electronic Access Project, Phase 5		293,000	49
Remodel Engineering 103 and 110		1,750,000	50
Multiple Projects, Special Events Center		148,000	51
Pedestrian/Bicycle Circulation MP & Safety Improvements (cont.)		300,000	52
Site/Irrigation Improvements, Yanke		573,000	53
Siding Replacement, Yanke		500,000	54

PBFAC
RECOMMENDATION

FY2016 SBOE ALTERATION AND REPAIR PROJECTS

AGENCY / INSTITUTION	DPW PROPOSED FUNDING	AGENCY REQUESTS	AGENCY PRIORITY
(53 BSU left 16 blank) SUBTOTAL	2,340,000	19,904,000	
IDAHO STATE UNIVERSITY			
Renovate Lab/Classroom Gale Life Sciences	1,200,000	1,126,675	1
Replace Tritium Exit Lights, Campus Wide	35,000	35,000	2
Upgrade JCI HVAC Controls, Campus Wide	440,000	440,000	3
Masonry Repairs, Campus Wide	236,000	236,113	4
Concrete Replacement, Campus Wide	140,000	140,000	5
Repair Replace Concrete Sidewalks, Idaho Falls	86,000	86,000	6
First Floor Restrooms Phase 1 of 3; Ventilation, Controls, Health Code Compliance, Oboler	225,000	225,000	7
Auditorium Sound, Lighting Equipment & Controls, Tingey Admin Building		142,720	8
Utility Tunnel Access Points, Phase 2		148,000	9
Regional & Off Campus ENS, All Campuses		235,000	10
Replace Water Source Heat Pumps, Museum		322,000	11
Replace Selected Glazing/Repair Sealants, Various Buildings, Campus Wide		239,009	12
Sewer Main Repair, Phase II, Frazier to Carter St, Pocatello Campus		145,000	13
Building Renovation, Safety Issues, Dowling Building		118,080	14
Cosmetology Expansion, RFC		1,813,350	15
Replace Feed water Control, Boilers 3 & 4, Heat Plant		130,000	16
Separate Building 6 Water line from Utility Tunnel, Early Learning Center		190,000	17
Storm Water Repairs, Near Holt Arena, DEQ/EPA		95,000	18
Carpet, Seismic and Terrazzo Repair, Phase II, Oboler Library		256,200	19
Upgrade HVAC System, Fine Arts Building		408,250	20
Video Classroom Upgrades, Finishes, and Systems, Oboler Library		775,000	21
Classrooms 2, 3 & 4, Lecture Center		149,748	22
IDAHO STATE UNIVERSITY (Cont.)			
Abatement of Asbestos Floor Tiles in Corridors & Replace Flooring, Administration Building		75,044	23
Renovate & Relocate Arts and Letters Dean's Suite, Business Administration		400,000	24
Replace Entry Doors, Phase II, Pocatello Campus		230,000	25
Replace Air Conditioning Unit, College of Education		250,000	26
Replace All Equipment Inside of Rooms, Gale Life Science		345,000	27
Replace Chiller, Liberal Arts		316,250	28
Rework JCI Controls, Museum		48,300	29
Replace All Equipment Inside of Rooms, Plant Science		263,250	30
Replace Boiler and Associated Equipment, RFC		437,000	31
Computer Operations Center Humidification, HVAC Controls, Business Administration		74,300	32
Lab Chiller Plant, CAES		250,000	33
Abate Asbestos Containing Finish Materials, Replace With New Materials on Exterior of Building, Family Medicine, Family Dentistry		145,000	34
HVAC System, Frazier Hall		45,000	35
Provide More Air Flow and Re-heat System, Lillibridge Engineering		35,000	36
Stormwater Improvements, Roof Drain, Reed Gym		40,000	37
Replace Structural Floor Slab, Reed Gym		128,000	38
HVAC Upgrades, Phase I, Reed Gym		989,000	39
Sewer Drainage Modification, Reed Gym		196,000	40
Replace RTU's and Replace Duct Work		575,000	41
Replace Original Heating Fresh Air Units, RFC		85,000	42
HVAC, Phase II, Administration Building		783,000	43
HVAC, Phase III, Administration Building		995,360	44
Water Supply Disentanglement, Fire Sprinklers, Hydrant, Domestic Water Shut-offs, and Vault, Double Check, Business Administration		149,860	45
Update Lighting Controls & Replace Outdated Panels, CAES		50,000	46
Siding Repairs to Re-attach Entire Building System, CAES		60,000	47
New Sidewalk, Carter Street		108,000	48
Humidification System & DDC Controls, Gale Life Science		130,000	49
Install Safety Fencing, Both Sides of Railroad Tracks, Idaho Falls Campus		150,000	50
ADA Restroom Upgrades, Lecture Center		194,500	51
Restore Classrooms 15-17 Asbestos, Accessibility, Lecture Center		496,800	52
Replace Hydronic Heating Pumps and Piping, Leonard Hall		189,000	53

PBFAC
RECOMMENDATION

FY2016 SBOE ALTERATION AND REPAIR PROJECTS

AGENCY / INSTITUTION	DPW		
	PROPOSED FUNDING	AGENCY REQUESTS	AGENCY PRIORITY
Remodel ITRC Lab, Video Editing, and Front Desk, Oboler Library		75,000	54
HVAC Equipment and Controls, Plant Science		88,560	55
Provide Proper Cooling and Exhaust Systems, Plant Science		50,000	56
Renovations to Infrastructure, Dance Department, Red Hill		688,482	57
HVAC Repairs and Separation From Building, Cosmetology, RFC		220,000	58
Remodel and Additions, Rooms 209 and 209A, Beckley Nursing		984,712	59
Boiler Demolition, Heat Plant		400,000	60
Additional Cooling for UPS & Two Computer Labs, Rendezvous		116,100	61
Redesign Boiler, Basement, Dowling Building		50,000	62
Second Floor Restrooms, Phase II of III, Oboler Library		197,000	63
Third Floor Restrooms, Phase III of III, Oboler Library		197,000	64
Clean up Animal Facility, Pharmacy Building		100,000	65
Upgrades to Work Lights, and Stage Outlets, Stephen's Performing Arts		49,120	66
SUBTOTAL	2,362,000	18,905,783	
IDAHO STATE UNIVERSITY -- UNIVERSITY PLACE			
Study Space/ Entrance Addition, CHE		1,755,000	1
Remodel Existing Chemistry Labs and Storage Rooms, CHE		1,173,000	2
Replace Shallow Sewer Line Between TAB and CHE	56,000	56,000	3
SUBTOTAL	56,000	2,984,000	
UNIVERSITY OF IDAHO			
Repair North Entry Steps and Mosaic Tile, Administration Building	281,500	281,500	1
Life Safety, Academic Buildings, Buchanan Engineering Lab, Phase II	901,800	901,800	2
Life Safety, Life Science South Standby & Emergency Power Generator	834,700	834,700	3
Roof Replacement, Lionel Hampton School of Music (LHSOM)	169,700	169,700	4
Pedestrian Improvements, Seventh Street		436,200	5
Life Safety Improvements, Academic Buildings, Sixth Street Greenhouses	163,900	163,900	6
KUID Building Engineering Shop and Storage Addition		173,900	7
Life Safety, Academic Buildings, Emergency Eye Wash Stations and Emergency Showers, Phase II		159,100	8
Roof Replacement, Art & Architecture		121,500	9
Sidewalk Improvements, Stadium Drive and Blake Avenue		175,000	10
Chilled Water System Improvements, Central Campus		250,000	11
Roof Replacement, Menard Law Building		491,700	12
Replace Pool Gutters, Swim Center		560,000	13
Repair and Renovate East Entry Steps and Planters, Menard Law Building		347,800	14
Roof Replacement, Agricultural Biotechnology Laboratory		288,400	15
HVAC Upgrade, Phase III, Life Sciences South		1,123,500	16
Exterior Envelope Repairs, Administration Building		984,400	17
HVAC System Repair, Phase II, Gibb Hall		1,121,600	18
HVAC System Improvements, Phase II, Administration Building		1,177,800	19
HVAC Upgrade, Phase 4, Janssen Engineering Building		588,800	20
UNIVERSITY OF IDAHO (Cont.)			
HVAC System Repair, Phase III, Gibb Hall		1,177,800	21
Repairs and Repaving, Idaho Avenue Extension		844,100	22
Replace AC Mains, Phase I, Domestic Water System		669,500	23
Circle Repairs, Phase I, Campus Drive, Administration		741,600	24
Emergency Power Generator, Steam Plant		927,000	25
Replace Paradise Creek Undercrossing, Perimeter Drive		849,800	26
SUBTOTAL	2,351,600	15,561,100	

PBFAC
RECOMMENDATION

FY2016 SBOE ALTERATION AND REPAIR PROJECTS

<u>AGENCY / INSTITUTION</u>	<i>DPW</i> <u>PROPOSED</u> <u>FUNDING</u>	<u>AGENCY</u> <u>REQUESTS</u>	<u>AGENCY</u> <u>PRIORITY</u>
LEWIS-CLARK STATE COLLEGE			
Upgrade, Spalding Hall (backup project - if not approved as a Capital Request)	350,000	350,000	1
Roof Replacement, Reid Centennial Hall (RCH)	150,000	150,000	2
Pave Parking Lot, Wittman Complex		30,000	3
Upgrade HVAC, Center for Arts and History (CAH)	60,000	60,000	4
Replace Windows, Center for Arts and History, (CAH)		50,000	5
Upgrade Heating/Cooling Line System, Campus Wide Phase II		50,000	6
Repair Masonry, Clearwater Hall & Center for Arts and History (CAH)		60,000	7
Replace Carpeting, Library		120,000	8
SUBTOTAL	560,000	870,000	
NORTH IDAHO COLLEGE			
Roof Replacement, McLain	130,000	130,000	1
Construct Permanent Parking Lot		450,000	2
Remodel Gymnasium Locker & Restroom	325,000	200,000	3
Window Replacement & Indoor Lighting Upgrade, Boswell Hall		220,000	4
Replace Assorted Flooring, Campus Wide		315,000	5
HVAC Replacement, Gymnasium		495,000	6
Installation of Energy Efficient Geothermal Loop		660,000	7
Mechanical Upgrade, Boswell Hall		1,500,000	8
Roof Replacement, Hedlund Building		760,000	9
Replace Turf, Soccer Field		900,000	10
SUBTOTAL	455,000	5,630,000	
COLLEGE OF SOUTHERN IDAHO			
Roof Replacement, Jerome Center	78,000	78,000	1
Roof Replacement, Burley Center	238,000	238,000	2
Roof Replacement, Herrett Center	121,000	121,000	3
HVAC Upgrade, Canyon Building		307,300	4
Entryway Replacement, Canyon Building		92,800	5
Sidewalk Replacement, Hepworth Building		56,200	6
Enclose Two Geothermal Wells	72,100	72,100	7
Re-Pave Road, IOOA & Gym Parking Lots		354,600	8
Replace Campus Clocks		60,300	9
SUBTOTAL	509,100	1,380,300	
COLLEGE OF WESTERN IDAHO			
Cooling Tower Replacement, Canyon County Center	120,000	120,000	1
Hydraulic Elevator Modernization, Canyon County Center		110,000	2
Standby Occupancy Sensor Installation & DDC Mapping, Canyon County Center	31,000	31,000	3
High Plume Lab Exhaust Fan - Lead/Lag Control System		35,000	4
Nampa Campus Academic Building		35,000	4
SUBTOTAL	151,000	296,000	
EASTERN IDAHO TECHNICAL COLLEGE			
Repair Asphalt Parking, Campus Wide	140,000	140,000	1
Install Emergency Generator, Computer Data Center	100,000	92,000	2
SUBTOTAL	240,000	232,000	
TOTAL SBE:	9,024,700	65,763,183	

PBFAC
RECOMMENDATION

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

COLLEGE AND UNIVERSITIES

SUBJECT

FY 2016 Intercollegiate Athletics Operating Budget Report

REFERENCE

August 2014 Board waived Board policy V.X.3.b to temporarily increase the Idaho State University institutional funds limit by an amount not to exceed \$250,000 annually for three years

April 2015 Board increased the University of Idaho gender equity limit by \$120,000 to address Title IX issues

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/ DISCUSSION

State Board of Education policy provides that “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.” A common reporting format has been established for reporting intercollegiate athletic revenues and expenditures.

Board policy establishes limits on the amount of funds the institutions can allocate to athletics from the state General Fund and institutional funds. At its regular April 2015 meeting the Board set the General Fund (including the gender equity component) and institutional funds limits for athletics as follows:

	General Fund	Gender Equity	Institutional	TOTAL
BSU	\$2,752,200	\$1,214,000	\$449,900	\$4,416,100
ISU	\$2,752,200	\$ 803,500	\$879,700	\$4,435,400
UI	\$2,752,200	\$1,172,000	\$899,700	\$4,823,900
LCSC	\$1,126,200	N/A	\$179,800	\$1,306,000

Page 3 displays a four-part pie chart that shows FY16 revenue by fund source by institution. Page 4 displays non-program revenue as a percentage of total athletic revenue and expenditures per varsity participant. Page 5 shows the expenditures per varsity participant

The individual institution reports, starting on page 7, begin with worksheets for each institution displaying the following data:

- FY14 Actual Expenditures (June 2014) – columns 1 & 2
- Latest FY15 Estimate (May 2015) – columns 3 & 4

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

- Variance (\$ and %) comparing the FY14 Actual with the latest FY15 estimate – columns 5 & 6
- FY16 Operating Budget (June 2015) – columns 7 & 8
- Variance (\$ & %) comparing the FY16 proposed Budget with the FY15 Estimate – columns 9 & 10

For each institution, revenue by source and expenditures by classification is reported, as is revenue and expenditures by general administration and sport.

IMPACT

The institutions presented their gender equity reports at the April Board meeting at which time institutions could request an increase to their respective gender equity limit above the normal amount calculated per Board policy.

ATTACHMENTS

Attachment 1 – FY16 Revenue by Source by Institution	Page 3
Attachment 2 – Student Fees/State and Institution Support as % of Operating Revenues	Page 4
Attachment 3 – Expenditures per Participant	Page 5
FY14 Actual, Revised Estimates for FY15, and FY16 Operating Budgets:	
Attachment 4 – Boise State University	Page 7
Attachment 5 – Idaho State University	Page 11
Attachment 6 – University of Idaho	Page 15
Attachment 7 – Lewis-Clark State College	Page 19

STAFF COMMENTS AND RECOMMENDATIONS

The institutions are prepared to explain their respective reports and variances therein. All institutions are within their athletics limits.

All institutions show positive ending balances for FY 2016.

BOARD ACTION

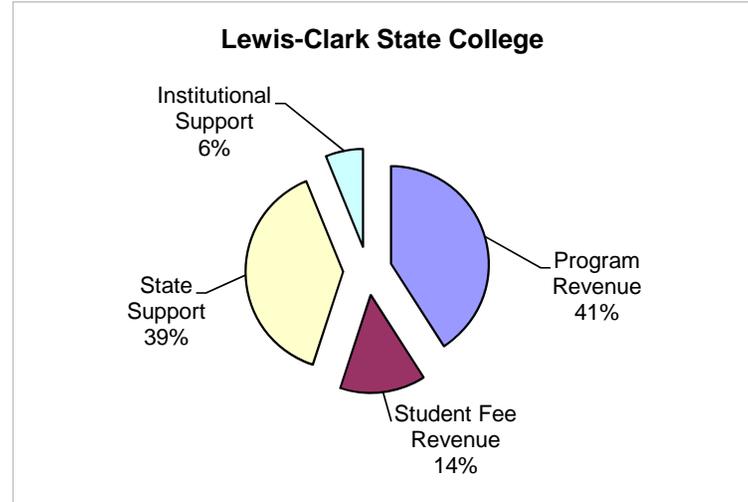
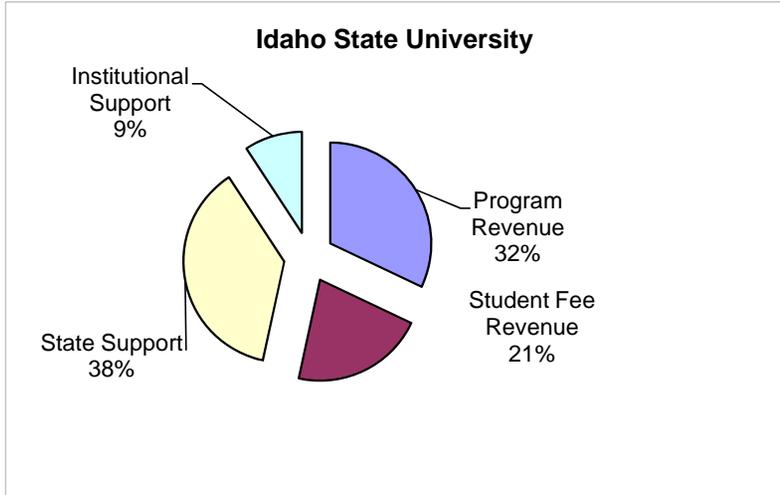
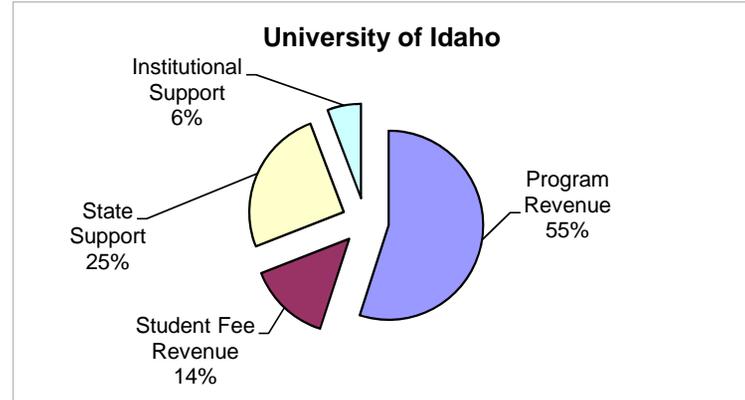
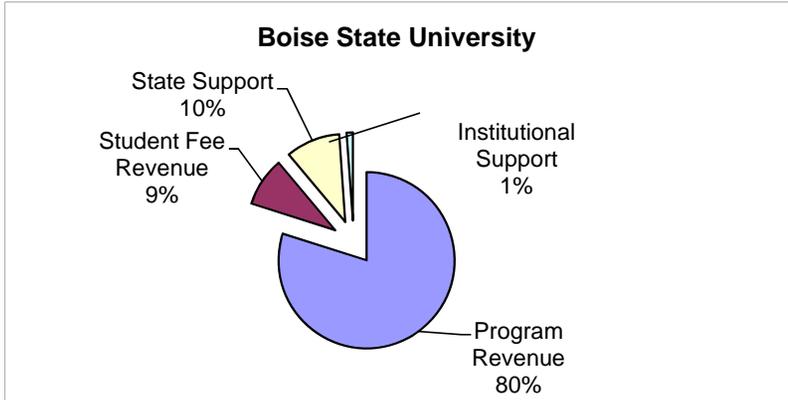
I move to approve the Athletics Operating Budget reports for Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College, as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

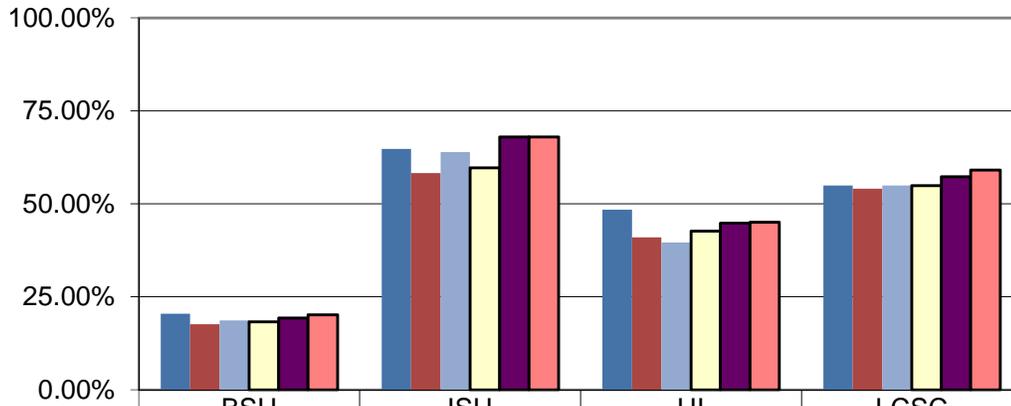
Intercollegiate Athletics

FY16 Revenue by Source by Institution

Attachment 1

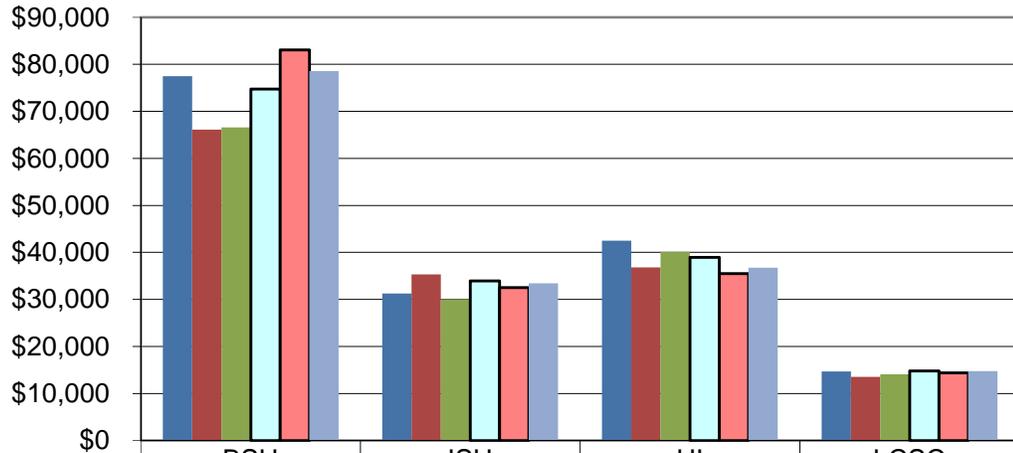


**Student Fee/State & Institution Support
as a % of Total Operating Revenue**



	BSU	ISU	UI	LCSC
■ FY11 Act.	20.38%	64.70%	48.40%	54.86%
■ FY12 Act.	17.52%	58.25%	40.90%	54.04%
■ FY13 Act.	18.55%	63.89%	39.57%	54.87%
□ FY14 Act.	18.25%	59.70%	42.62%	54.91%
■ FY15 Est.	19.28%	67.94%	44.78%	57.27%
■ FY16 Bud.	20.11%	67.95%	45.03%	59.09%

Expenditures per Varsity Participant



	BSU	ISU	UI	LCSC
FY11 Act.	\$77,476	\$31,218	\$42,454	\$14,631
FY12 Act.	\$66,116	\$35,285	\$36,748	\$13,475
FY13 Act.	\$66,592	\$29,981	\$40,087	\$14,045
FY14 Act.	\$74,722	\$33,938	\$38,942	\$14,814
FY15 Est.	\$83,044	\$32,489	\$35,495	\$14,345
FY16 Bud.	\$78,565	\$33,392	\$36,681	\$14,728

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**Boise State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 4

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			FY15 Est		(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	as of 5/14	%	Variance	Variance	FY16 Orig	%	Variance	Variance
					15 Est/14 Act	%	Oper Bdgt		16 Bud/15 Est	%
1 Revenue:										
2 Program Revenue:										
3 Ticket Sales	8,564,574	18.98%	7,715,396	17.17%	(849,178)	-9.92%	7,027,413	16.16%	(687,983)	-8.92%
4 Guarantees	667,000	1.48%	1,550,000	3.45%	883,000	132.38%	505,000	1.16%	(1,045,000)	-67.42%
5 Contributions	11,050,335	24.48%	5,981,385	13.31%	(5,068,950)	-45.87%	10,982,071	25.25%	5,000,686	83.60%
6 NCAA/Conference/Tournaments	4,725,927	10.47%	6,273,355	13.96%	1,547,428	32.74%	5,855,456	13.46%	(417,899)	-6.66%
7 TV/Radio/Internet Rights	1,691	0.00%	10,000	0.02%	8,309	491.37%	0	0.00%	(10,000)	-100.00%
8 Program/Novelty Sales, Concessionns, Parking	1,052,770	2.33%	858,383	1.91%	(194,387)	-18.46%	862,937	1.98%	4,554	0.53%
9 Royalty, Advertisement, Sponsorship	4,677,489	10.36%	4,474,681	9.96%	(202,808)	-4.34%	4,172,021	9.59%	(302,660)	-6.76%
10 Endowment/Investment Income	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11 Other	2,581,945	5.72%	1,558,113	3.47%	(1,023,832)	-39.65%	1,328,113	3.05%	(230,000)	-14.76%
12 Total Program Revenue	33,321,731	73.83%	28,421,313	63.23%	(4,900,418)	-14.71%	30,733,011	70.67%	2,311,698	8.13%
13 Non-Program Revenue:										
14 NCAA/Bowl/World Series	37,401	0.08%	4,029,750	8.97%	3,992,349	10674.44%	29,750	0.07%	(4,000,000)	-99.26%
15 Student Fees	3,416,104	7.57%	3,469,844	7.72%	53,740	1.57%	3,464,390	7.97%	(5,454)	-0.16%
16 Direct State General Funds	2,515,800	5.57%	2,671,900	5.94%	156,100	6.20%	2,669,634	6.14%	(2,266)	-0.08%
17 Gender Equity - General Funds	1,109,700	2.46%	1,178,600	2.62%	68,900	6.21%	1,178,600	2.71%	0	0.00%
18 Direct Institutional Support	406,400	0.90%	430,200	0.96%	23,800	5.86%	430,200	0.99%	0	0.00%
19 Subtotal State/Institutional Support	4,031,900	8.93%	4,280,700	9.52%	248,800	6.17%	4,278,434	9.84%	(2,266)	-0.05%
20 Total Non-Program Revenue	7,485,405	16.58%	11,780,294	26.21%	4,294,889	57.38%	7,772,574	17.87%	(4,007,720)	-34.02%
21 Subtotal Operating Revenue	40,807,136	90.41%	40,201,607	89.44%	(605,529)	-1.48%	38,505,585	88.55%	(1,696,022)	-4.22%
22 Non-Cash Revenue										
23 Third Party Support		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
24 Indirect Institutional Support	1,974,714	4.38%	2,269,470	5.05%	294,756	14.93%	2,373,275	5.46%	103,805	4.57%
25 Non-Cash Revenue		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
26 Out-of-State Tuition Revenue	2,351,983	5.21%	2,476,638	5.51%	124,655	5.30%	2,607,900	6.00%	131,262	5.30%
27 Subtotal Non-Cash Revenue	4,326,697	9.59%	4,746,108	10.56%	419,411	9.69%	4,981,175	11.45%	235,067	4.95%
28 Total Revenue:	45,133,833	100.00%	44,947,715	100.00%	(186,118)	-0.41%	43,486,760	100.00%	(1,460,955)	-3.25%
30 Expenditures										
31 Operating Expenditures:										
32 Athletics Student Aid	4,574,395	10.14%	5,191,955	11.55%	617,560	13.50%	5,878,533	13.52%	686,578	13.22%
33 Guarantees	770,946	1.71%	662,000	1.47%	(108,946)	-14.13%	962,000	2.21%	300,000	45.32%
34 Coaching Salary/Benefits	9,551,342	21.17%	8,831,783	19.65%	(719,559)	-7.53%	9,360,286	21.53%	528,503	5.98%
35 Admin Staff Salary/Benefits	5,043,009	11.18%	5,806,208	12.92%	763,199	15.13%	5,730,218	13.18%	(75,990)	-1.31%
36 Severance Payments		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37 Recruiting	588,969	1.31%	437,980	0.97%	(150,989)	-25.64%	432,092	0.99%	(5,888)	-1.34%
38 Team Travel	2,242,217	4.97%	2,570,327	5.72%	328,110	14.63%	2,537,579	5.84%	(32,748)	-1.27%
39 Equipment, Uniforms and Supplies	1,732,599	3.84%	1,489,811	3.32%	(242,788)	-14.01%	1,260,756	2.90%	(229,055)	-15.37%
40 Game Expenses	1,685,148	3.73%	1,398,487	3.11%	(286,661)	-17.01%	1,140,150	2.62%	(258,337)	-18.47%
41 Fund Raising, Marketing, Promotion	335,124	0.74%	237,912	0.53%	(97,212)	-29.01%	224,961	0.52%	(12,951)	-5.44%
42 Direct Facilities/Maint/Rentals	5,383,629	11.93%	2,188,553	4.87%	(3,195,076)	-59.35%	1,781,010	4.10%	(407,543)	-18.62%
43 Debt Service on Facilities	4,305,383	9.54%	5,599,888	12.46%	1,294,505	30.07%	5,602,088	12.88%	2,200	0.04%
44 Spirit Groups	175,748	0.39%	155,860	0.35%	(19,888)	-11.32%	146,999	0.34%	(8,861)	-5.69%
45 Medical Expenses & Insurance	750,743	1.66%	1,190,672	2.65%	439,929	58.60%	1,196,057	2.75%	5,385	0.45%
46 Memberships & Dues	666,757	1.48%	758,056	1.69%	91,299	13.69%	700,803	1.61%	(57,253)	-7.55%
47 NCAA/Special Event/Bowls	(32,683)	-0.07%	2,342,175	5.21%	2,374,858	-7266.34%	15,750	0.04%	(2,326,425)	-99.33%
48 Other Operating Expenses	3,025,077	6.70%	1,331,534	2.96%	(1,693,543)	-55.98%	1,527,644	3.51%	196,110	14.73%
49 Subtotal Operating Expenditures	40,798,403	90.41%	40,193,201	89.44%	(605,202)	-1.48%	38,496,926	88.54%	(1,696,275)	-4.22%
50 Non-Cash Expenditures										
51 3rd Party Coaches Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
52 3rd Party Admin Staff Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
53 Indirect Facilities & Admin Support	1,974,714	4.38%	2,269,470	5.05%	294,756	14.93%	2,373,275	5.46%	103,805	4.57%
54 Non-Cash Expense		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
55 Out-of-State Tuition Expense	2,351,983	5.21%	2,476,638	5.51%	124,655	5.30%	2,607,900	6.00%	131,262	5.30%
56 Subtotal Non-Cash Expenditures	4,326,697	9.59%	4,746,108	10.56%	419,411	9.69%	4,981,175	11.46%	235,067	4.95%
57 Total Expenditures:	45,125,100	100.00%	44,939,309	100.00%	(185,791)	-0.41%	43,478,101	100.00%	(1,461,208)	-3.25%

**Boise State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 4

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %
58										
59 Net Income/(deficit)	8,733		8,406		(327)	-3.74%	8,659		253	3.01%
60										
61 Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)	<u>947,599</u>		<u>956,005</u>		8,406	0.89%	964,664		8,659	0.91%
62										
63 Sport Camps & Clinics										
64 Revenue	684,506		400,000		(284,506)	-41.56%	400,000	0.92%	0	0.00%
65 Coach Compensation from Camp	209,423		150,000		(59,423)	-28.37%	150,000	0.35%	0	0.00%
66 Camp Expenses	482,972		250,000		(232,972)	-48.24%	250,000	0.58%	0	0.00%
67 Total Expenses	692,395		400,000		(292,395)	-42.23%	400,000	0.92%	0	0.00%
68 Ending Fund Balance 6/30-BSU Camps	<u>544,115</u>									
69 Net Income from Camps	536,226		0		(536,226)	-100.00%	0		0	0.00%

**Boise State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 4

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
					(3-1)	(5/1)			(7-3)	(9/3)	
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %	
Revenue by Program:											
1 General Revenue:											
2	Student Fees	3,416,104	8.37%	3,469,844	8.63%	53,740	1.57%	3,464,390	9.00%	(5,454)	-0.16%
3	Contributions	11,050,335	27.08%	5,981,385	14.88%	(5,068,950)	-45.87%	10,982,071	28.52%	5,000,686	83.60%
4	Direct State General Funds	2,515,800	6.17%	2,671,900	6.65%	156,100	6.20%	2,669,634	6.93%	(2,266)	-0.08%
5	Gender Equity - General Funds	1,109,700	2.72%	1,178,600	2.93%	68,900	6.21%	1,178,600	3.06%	0	0.00%
6	Institutional Support	406,400	1.00%	430,200	1.07%	23,800	5.86%	430,200	1.12%	0	0.00%
7	NCAA/Conference	4,725,927	11.58%	6,273,355	15.60%	1,547,428	32.74%	5,855,456	15.21%	(417,899)	-6.66%
8	TV/Radio/Internet	1,691	0.00%	10,000	0.02%	8,309	491.37%	0	0.00%	(10,000)	-100.00%
9	Concessions/program/etc.	1,052,770	2.58%	858,383	2.14%	(194,387)	-18.46%	862,937	2.24%	4,554	0.53%
10	Advertising/sponsorship/Royalty	4,677,489	11.46%	4,474,681	11.13%	(202,808)	-4.34%	4,172,021	10.83%	(302,660)	-6.76%
11	Endowments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
12	NCAA/Bowl/World Series	37,401	0.09%	4,029,750	10.02%	3,992,349	10674.44%	29,750	0.08%	(4,000,000)	-99.26%
13	Other	2,581,945	6.33%	1,558,113	3.88%	(1,023,832)	-39.65%	1,328,113	3.45%	(230,000)	-14.76%
14	Total General Revenue	31,575,562	77.38%	30,936,211	76.95%	(639,351)	-2.02%	30,973,172	80.44%	36,961	0.12%
15 Revenue By Sport:											
16 Men's Programs:											
17	Football										
18	Ticket Sales	7,470,941	18.31%	6,784,022	16.88%	(686,919)	-9.19%	6,116,366	15.88%	(667,656)	-9.84%
19	Game Guarantees	575,000	1.41%	1,350,000	3.36%	775,000	134.78%	425,000	1.10%	(925,000)	-68.52%
20	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
21	Basketball		0.00%		0.00%		0.00%		0.00%		0.00%
22	Ticket Sales	963,751	2.36%	883,374	2.20%	(80,377)	-8.34%	858,672	2.23%	(24,702)	-2.80%
23	Game Guarantees	90,000	0.22%	200,000	0.50%	110,000	122.22%	80,000	0.21%	(120,000)	-60.00%
24	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
25	Track & Field/Cross Country	5,655	0.01%	3,510	0.01%	(2,145)	-37.93%	3,634	0.01%	124	3.53%
26	Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
27	Baseball Ticket Sales		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
28	Wrestling	7,892	0.02%	5,850	0.01%	(2,042)	-25.87%	6,056	0.02%	206	3.52%
29	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
30	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
31	Total Men's Sport Revenue	9,113,239	22.33%	9,226,756	22.95%	113,517	1.25%	7,489,728	19.45%	(1,737,028)	-18.83%
32 Women's Programs											
33	Volleyball										
34	Ticket Sales	6,840	0.02%	5,070	0.01%	(1,770)	-25.88%	5,249	0.01%	179	3.53%
35	Game Guarantees		0.00%	0	0.00%	0	0.00%		0.00%	0	0.00%
36	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Basketball										
38	Ticket Sales	77,268	0.19%	9,000	0.02%	(68,268)	-88.35%	12,000	0.03%	3,000	33.33%
39	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
40	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
41	Track & Field/Cross Country	5,815	0.01%	3,510	0.01%	(2,305)	-39.64%	3,634	0.01%	124	3.53%
42	Tennis		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
43	Gymnastics	10,523	0.03%	7,800	0.02%	(2,723)	-25.88%	8,075	0.02%	275	3.53%
44	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
45	Soccer	10,523	0.03%	7,800	0.02%	(2,723)	-25.88%	8,075	0.02%	275	3.53%
46	Softball	7,366	0.02%	5,460	0.01%	(1,906)	-25.88%	5,652	0.01%	192	3.52%
47	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
48	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
49	Total Women's Sport Rev	118,335	0.29%	38,640	0.10%	(79,695)	-67.35%	42,685	0.11%	4,045	10.47%
50	Total Revenue	40,807,136	100.00%	40,201,607	100.00%	(605,529)	-1.48%	38,505,585	100.00%	(1,696,022)	-4.22%

**Boise State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 4

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance (5/1) %	FY16 Orig Oper Bdgt	%	Variance (7-3) 16 Bud/15 Est	Variance (9/3) %
51 Expenditures by Sport										
52 Administrative and General										
53 Athletic Director Office	2,296,044	5.63%	3,243,005	8.07%	946,961	41.24%	3,100,245	8.05%	(142,760)	-4.40%
54 Fund Raising Office	724,272	1.78%	636,564	1.58%	(87,708)	-12.11%	471,027	1.22%	(165,537)	-26.00%
55 Academics Support	1,087,742	2.67%	1,038,993	2.58%	(48,749)	-4.48%	1,102,963	2.87%	63,970	6.16%
56 Media Relations	322,708	0.79%	385,841	0.96%	63,133	19.56%	393,436	1.02%	7,595	1.97%
57 Marketing and Promotions	489,248	1.20%	445,168	1.11%	(44,080)	-9.01%	545,772	1.42%	100,604	22.60%
58 Ticket Office	353,362	0.87%	376,906	0.94%	23,544	6.66%	385,051	1.00%	8,145	2.16%
59 Athletic Training Room	724,540	1.78%	825,374	2.05%	100,834	13.92%	836,905	2.17%	11,531	1.40%
60 Memberships and Dues	666,219	1.63%	758,056	1.89%	91,837	13.78%	700,803	1.82%	(57,253)	-7.55%
61 Facilities Mtn & Debt Service	6,343,444	15.55%	8,407,188	20.92%	2,063,744	32.53%	8,337,994	21.66%	(69,194)	-0.82%
62 Capital Improvements	3,943,529	9.67%	438,500	1.09%	(3,505,029)	-88.88%	33,000	0.09%	(405,500)	-92.47%
63 NCAA/Special Event/Bowls	(32,683)	-0.08%	2,342,175	5.83%	2,374,858	-7266.34%	15,750	0.04%	(2,326,425)	-99.33%
64 Other Miscellaneous	3,393,193	8.32%	3,529,696	8.78%	136,503	4.02%	3,885,363	10.09%	355,667	10.08%
65 Total Admin & General	20,311,618	49.79%	22,427,466	55.80%	2,115,848	10.42%	19,808,309	51.45%	(2,619,157)	-11.68%
66										
67 Men's Programs:										
68 Football	11,523,144	28.24%	8,635,504	21.48%	(2,887,640)	-25.06%	8,813,999	22.90%	178,495	2.07%
69 Basketball	1,978,592	4.85%	1,989,182	4.95%	10,590	0.54%	2,116,145	5.50%	126,963	6.38%
70 Track & Field/Cross Country	469,221	1.15%	567,019	1.41%	97,798	20.84%	611,293	1.59%	44,274	7.81%
71 Tennis	320,856	0.79%	340,706	0.85%	19,850	6.19%	354,777	0.92%	14,071	4.13%
72 Baseball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
73 Wrestling	448,655	1.10%	477,159	1.19%	28,504	6.35%	526,030	1.37%	48,871	10.24%
74 Golf	247,013	0.61%	196,196	0.49%	(50,817)	-20.57%	209,170	0.54%	12,974	6.61%
75 Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
76 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
77 Total Men's Programs	14,987,481	36.74%	12,205,766	30.37%	(2,781,715)	-18.56%	12,631,414	32.81%	425,648	3.49%
78										
79 Women's Programs										
80 Volleyball	577,478	1.42%	633,402	1.58%	55,924	9.68%	685,232	1.78%	51,830	8.18%
81 Basketball	1,249,635	3.06%	1,232,135	3.07%	(17,500)	-1.40%	1,416,743	3.68%	184,608	14.98%
82 Track & Field/Cross Country	550,822	1.35%	666,583	1.66%	115,761	21.02%	718,695	1.87%	52,112	7.82%
83 Tennis	304,029	0.75%	331,018	0.82%	26,989	8.88%	355,442	0.92%	24,424	7.38%
84 Gymnastics	575,965	1.41%	576,453	1.43%	488	0.08%	617,771	1.60%	41,318	7.17%
85 Golf	270,659	0.66%	222,839	0.55%	(47,820)	-17.67%	242,770	0.63%	19,931	8.94%
86 Soccer	650,195	1.59%	604,739	1.50%	(45,456)	-6.99%	638,972	1.66%	34,233	5.66%
87 Softball	583,781	1.43%	650,379	1.62%	66,598	11.41%	697,961	1.81%	47,582	7.32%
88 Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
89 Swimming	736,740	1.81%	642,421	1.60%	(94,319)	-12.80%	683,617	1.78%	41,196	6.41%
90 Rodeo/New Sport	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
91 Total Women's Programs	5,499,304	13.48%	5,559,969	13.83%	60,665	1.10%	6,057,203	15.73%	497,234	8.94%
92										
93 Total Expenditures	40,798,403	100.00%	40,193,201	100.00%	(605,202)	-1.48%	38,496,926	100.00%	(1,696,275)	-4.22%

**Idaho State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 5

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %
1 Revenue:										
2 Program Revenue:										
3 Ticket Sales	243,761	2.03%	285,778	2.46%	42,017	17.24%	261,017	2.19%	(24,761)	-8.66%
4 Guarantees	1,256,000	10.46%	1,140,500	9.81%	(115,500)	-9.20%	1,367,500	11.45%	227,000	19.90%
5 Contributions	434,592	3.62%	376,000	3.23%	(58,592)	-13.48%	298,200	2.50%	(77,800)	-20.69%
6 NCAA/Conference/Tournaments	590,406	4.92%	529,130	4.55%	(61,276)	-10.38%	424,000	3.55%	(105,130)	-19.87%
7 TV/Radio/Internet Rights	9,293	0.08%	4,000	0.03%	(5,293)	-56.96%	0	0.00%	(4,000)	-100.00%
8 Program/Novelty Sales, Concessionns, Parking	17,000	0.14%	17,000	0.15%	0	0.00%	17,000	0.14%	0	0.00%
9 Royalty, Advertisement, Sponsorship	538,712	4.49%	520,000	4.47%	(18,712)	-3.47%	597,550	5.00%	77,550	14.91%
10 Endowment/Investment Income	18,314	0.15%	18,207	0.16%	(107)	-0.58%	20,024	0.17%	1,817	9.98%
11 Other	814,504	6.78%	99,000	0.85%	(715,504)	-87.85%	65,220	0.55%	(33,780)	-34.12%
12 Total Program Revenue	3,922,582	32.66%	2,989,615	25.71%	(932,967)	-23.78%	3,050,511	25.54%	60,896	2.04%
13 Non-Program Revenue:										
14 NCAA/Bowl/World Series	18,130	0.15%	0	0.00%	(18,130)	-100.00%	0	0.00%	0	0.00%
15 Student Fees	2,019,527	16.82%	2,030,734	17.46%	11,207	0.55%	2,030,734	17.00%	0	0.00%
16 Direct State General Funds	2,515,800	20.95%	2,671,900	22.97%	156,100	6.20%	2,752,200	23.04%	80,300	3.01%
17 Gender Equity - General Funds	734,400	6.11%	780,000	6.71%	45,600	6.21%	803,500	6.73%	23,500	3.01%
18 Direct Institutional Support	568,900	4.74%	852,200	7.33%	283,300	49.80%	879,700	7.37%	27,500	3.23%
19 Subtotal State/Institutional Support	3,819,100	31.80%	4,304,100	37.01%	485,000	12.70%	4,435,400	37.14%	131,300	3.05%
20 Total Non-Program Revenue	5,856,757	48.77%	6,334,834	54.47%	478,077	8.16%	6,466,134	54.14%	131,300	2.07%
21 Subtotal Operating Revenue	9,779,339	81.43%	9,324,449	80.18%	(454,890)	-4.65%	9,516,645	79.68%	192,196	
22 Non-Cash Revenue										
23 Third Party Support	74,500	0.62%	65,000	0.56%	(9,500)	-12.75%	35,000	0.29%	(30,000)	-46.15%
24 Indirect Institutional Support	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
25 Non-Cash Revenue	542,696	4.52%	600,000	5.16%	57,304	10.56%	600,000	5.02%	0	0.00%
26 Out-of-State Tuition Revenue	1,613,326	13.43%	1,640,334	14.10%	27,008	1.67%	1,791,300	15.00%	150,966	9.20%
27 Subtotal Non-Cash Revenue	2,230,522	18.57%	2,305,334	19.82%	74,812	3.35%	2,426,300	20.32%	120,966	5.25%
28 Total Revenue:	12,009,861	100.00%	11,629,783	100.00%	(380,078)	-3.16%	11,942,945	100.00%	313,162	2.69%
30 Expenditures										
31 Operating Expenditures:										
32 Athletics Student Aid	2,381,821	19.84%	2,352,711	20.23%	(29,110)	-1.22%	2,590,507	21.69%	237,796	10.11%
33 Guarantees	96,520	0.80%	126,000	1.08%	29,480	30.54%	78,000	0.65%	(48,000)	-38.10%
34 Coaching Salary/Benefits	1,988,401	16.56%	2,212,982	19.03%	224,581	11.29%	2,253,016	18.86%	40,034	1.81%
35 Admin Staff Salary/Benefits	1,366,454	11.38%	1,472,109	12.66%	105,655	7.73%	1,527,079	12.79%	54,970	3.73%
36 Severance Payments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
37 Recruiting	197,269	1.64%	223,800	1.92%	26,531	13.45%	223,803	1.87%	3	0.00%
38 Team Travel	979,415	8.16%	950,000	8.17%	(29,415)	-3.00%	1,071,461	8.97%	121,461	12.79%
39 Equipment, Uniforms and Supplies	307,809	2.56%	360,000	3.10%	52,191	16.96%	279,418	2.34%	(80,582)	-22.38%
40 Game Expenses	323,967	2.70%	270,000	2.32%	(53,967)	-16.66%	278,408	2.33%	8,408	3.11%
41 Fund Raising, Marketing, Promotion	166,561	1.39%	185,000	1.59%	18,439	11.07%	185,837	1.56%	837	0.45%
42 Direct Facilities/Maint/Rentals	1,107,727	9.23%	165,000	1.42%	(942,727)	-85.10%	147,042	1.23%	(17,958)	-10.88%
43 Debt Service on Facilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
44 Spirit Groups	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
45 Medical Expenses & Insurance	275,125	2.29%	297,000	2.55%	21,875	7.95%	345,250	2.89%	48,250	16.25%
46 Memberships & Dues	38,282	0.32%	48,000	0.41%	9,718	25.39%	48,000	0.40%	0	0.00%
47 NCAA/Special Event/Bowls	15,735	0.13%	0	0.00%	(15,735)	-100.00%	0	0.00%	0	0.00%
48 Other Operating Expenses	528,959	4.41%	661,847	5.69%	132,888	25.12%	488,824	4.09%	(173,023)	-26.14%
49 Subtotal Operating Expenditures	9,774,045	81.42%	9,324,449	80.18%	(449,596)	-4.60%	9,516,645	79.68%	192,196	2.06%
50 Non-Cash Expenditures										
51 3rd Party Coaches Compensation	56,100	0.47%	50,000	0.43%	(6,100)	-10.87%	30,000	0.25%	(20,000)	-40.00%
52 3rd Party Admin Staff Compensation	18,400	0.15%	15,000	0.13%	(3,400)	-18.48%	5,000	0.04%	(10,000)	-66.67%
53 Indirect Facilities & Admin Support	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
54 Non-Cash Expense	542,696	4.52%	600,000	5.16%	57,304	10.56%	600,000	5.02%	0	0.00%
55 Out-of-State Tuition Expense	1,613,326	13.44%	1,640,334	14.10%	27,008	1.67%	1,791,300	15.00%	150,966	9.20%
56 Subtotal Non-Cash Expenditures	2,230,522	18.58%	2,305,334	19.82%	74,812	3.35%	2,426,300	20.32%	120,966	5.25%
57 Total Expenditures:	12,004,567	100.00%	11,629,783	100.00%	(374,784)	-3.12%	11,942,945	100.00%	313,162	2.69%

**Idaho State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 5

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %
58										
59 Net Income/(deficit)	5,294		0		(5,294)	-100.00%	0		0	0.00%
60										
61 Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)	<u>1,527,903</u>		<u>1,527,903</u>		0	0.00%	1,527,903		0	0.00%
62										
63 Sport Camps & Clinics										
64 Revenue	199,935		110,000		(89,935)	-44.98%	110,000	0.92%	0	0.00%
65 Coach Compensation from Camp	76,250		45,000		(31,250)	-40.98%	45,000	0.38%	0	0.00%
66 Camp Expenses	116,974		65,000		(51,974)	-44.43%	65,000	0.54%	0	0.00%
67 Total Expenses	193,224		110,000		(83,224)	-43.07%	110,000	0.92%	0	0.00%
68										
69 Net Income from Camps	6,711		0		(6,711)	-100.00%	0		0	0.00%

**Idaho State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 5

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
					(3-1)	(5/1)			(7-3)	(9/3)	
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %	
Revenue by Program:											
1 General Revenue:											
2	Student Fees	2,019,527	20.65%	2,030,734	21.78%	11,207	0.55%	2,030,734	21.34%	0	0.00%
3	Contributions	434,592	4.44%	376,000	4.03%	(58,592)	-13.48%	298,200	3.13%	(77,800)	-20.69%
4	Direct State General Funds	2,515,800	25.73%	2,671,900	28.65%	156,100	6.20%	2,752,200	28.92%	80,300	3.01%
5	Gender Equity - General Funds	734,400	7.51%	780,000	8.37%	45,600	6.21%	803,500	8.44%	23,500	3.01%
6	Institutional Support	568,900	5.82%	852,200	9.14%	283,300	49.80%	879,700	9.24%	27,500	3.23%
7	NCAA/Conference	590,406	6.04%	529,130	5.67%	(61,276)	-10.38%	424,000	4.46%	(105,130)	-19.87%
8	TV/Radio/Internet	9,293	0.10%	4,000	0.04%	(5,293)	-56.96%	0	0.00%	(4,000)	-100.00%
9	Concessions/program/etc.	17,000	0.17%	17,000	0.18%	0	0.00%	17,000	0.18%	0	0.00%
10	Advertising/sponsorship/Royalty	538,712	5.51%	520,000	5.58%	(18,712)	-3.47%	597,550	6.28%	77,550	14.91%
11	Endowments	18,314	0.19%	18,207	0.20%	(107)	-0.58%	20,024	0.21%	1,817	9.98%
12	NCAA/Bowl/World Series	18,130	0.19%	0	0.00%	(18,130)	-100.00%	0	0.00%	0	0.00%
13	Other	814,504	8.33%	99,000	1.06%	(715,504)	-87.85%	65,220	0.69%	(33,780)	-34.12%
14	Total General Revenue	8,279,578	84.66%	7,898,171	84.70%	(381,407)	-4.61%	7,888,128	82.89%	(10,043)	-0.13%
15 Revenue By Sport:											
16 Men's Programs:											
17	Football										
18	Ticket Sales	124,668	1.27%	177,389	1.90%	52,721	42.29%	160,000	1.68%	(17,389)	-9.80%
19	Game Guarantees	850,000	8.69%	650,000	6.97%	(200,000)	-23.53%	915,500	9.62%	265,500	40.85%
20	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
21	Basketball										
22	Ticket Sales	72,511	0.74%	62,055	0.67%	(10,456)	-14.42%	60,000	0.63%	(2,055)	-3.31%
23	Game Guarantees	325,000	3.32%	410,000	4.40%	85,000	26.15%	375,000	3.94%	(35,000)	-8.54%
24	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
25	Track & Field/Cross Country	4,070	0.04%	1,705	0.02%	(2,365)	-58.10%	2,000	0.02%	295	17.30%
26	Tennis		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
27	Baseball Ticket Sales		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
28	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
29	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
30	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
31	Total Men's Sport Revenue	1,376,249	14.07%	1,301,149	13.95%	(75,100)	-5.46%	1,512,500	15.89%	211,351	16.24%
32 Women's Programs											
33	Volleyball										
34	Ticket Sales	7,094	0.07%	9,838	0.11%	2,744	38.68%	6,100	0.06%	(3,738)	-38.00%
35	Game Guarantees	9,000	0.09%	11,000	0.12%	2,000	22.22%	7,000	0.07%	(4,000)	-36.36%
36	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Basketball										
38	Ticket Sales	28,446	0.29%	27,150	0.29%	(1,296)	-4.56%	25,217	0.26%	(1,933)	-7.12%
39	Game Guarantees	66,500	0.68%	56,500	0.61%	(10,000)	-15.04%	70,000	0.74%	13,500	23.89%
40	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
41	Track & Field/Cross Country	4,070	0.04%	1,706	0.02%	(2,364)	-58.08%	2,000	0.02%	294	17.23%
42	Tennis		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
43	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
44	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
45	Soccer	4,403	0.05%	5,935	0.06%	1,532	34.79%	5,700	0.06%	(235)	-3.96%
46	Softball	4,000	0.04%	13,000	0.14%	9,000	225.00%		0.00%	(13,000)	-100.00%
47	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
48	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
49	Total Women's Sport Rev	123,513	1.26%	125,129	1.34%	1,617	1.31%	116,017	1.22%	(9,112)	-7.28%
50	Total Revenue	9,779,339	100.00%	9,324,449	100.00%	(454,890)	-4.65%	9,516,645	100.00%	192,196	2.06%

**Idaho State University
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 5

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %
51 Expenditures by Sport										
52 Administrative and General										
53 Athletic Director Office	652,440	6.68%	652,488	7.00%	48	0.01%	678,147	7.13%	25,659	3.93%
54 Fund Raising Office	199,423	2.04%	213,043	2.28%	13,620	6.83%	221,434	2.33%	8,391	3.94%
55 Academics Support	232,721	2.38%	223,117	2.39%	(9,604)	-4.13%	231,573	2.43%	8,456	3.79%
56 Media Relations	184,726	1.89%	186,481	2.00%	1,755	0.95%	190,960	2.01%	4,479	2.40%
57 Marketing and Promotions	231,103	2.36%	219,228	2.35%	(11,875)	-5.14%	220,862	2.32%	1,634	0.75%
58 Ticket Office	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
59 Athletic Training Room	289,745	2.96%	315,658	3.39%	25,913	8.94%	326,334	3.43%	10,676	3.38%
60 Memberships and Dues	38,282	0.39%	48,000	0.51%	9,718	25.39%	48,000	0.50%	0	0.00%
61 Facilities Mtn & Debt Service	85,000	0.87%	85,000	0.91%	0	0.00%	85,000	0.89%	0	0.00%
62 Capital Improvements	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
63 NCAA/Special Event/Bowls	15,735	0.16%	0	0.00%	(15,735)	-100.00%	0	0.00%	0	0.00%
64 Other Miscellaneous	1,338,470	13.69%	637,043	6.83%	(701,427)	-52.41%	554,627	5.83%	(82,416)	-12.94%
65 Total Admin & General	3,267,645	33.43%	2,580,058	27.67%	(687,587)	-21.04%	2,556,937	26.87%	(23,121)	-0.90%
66										
67 Men's Programs:										
68 Football	2,411,391	24.67%	2,435,183	26.12%	23,792	0.99%	2,575,300	27.06%	140,117	5.75%
69 Basketball	930,597	9.52%	916,968	9.83%	(13,629)	-1.46%	898,700	9.44%	(18,268)	-1.99%
70 Track & Field/Cross Country	327,114	3.35%	330,015	3.54%	2,901	0.89%	344,547	3.62%	14,532	4.40%
71 Tennis	122,216	1.25%	126,421	1.36%	4,205	3.44%	130,309	1.37%	3,888	3.08%
72 Baseball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
73 Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
74 Golf	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
75 Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
76 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
77 Total Men's Programs	3,791,318	38.79%	3,808,587	40.85%	17,269	0.46%	3,948,856	41.49%	140,269	3.68%
78										
79 Women's Programs										
80 Volleyball	426,643	4.37%	447,773	4.80%	21,130	4.95%	455,144	4.78%	7,371	1.65%
81 Basketball	744,981	7.62%	793,253	8.51%	48,272	6.48%	824,894	8.67%	31,641	3.99%
82 Track & Field/Cross Country	406,542	4.16%	469,087	5.03%	62,545	15.38%	488,117	5.13%	19,030	4.06%
83 Tennis	178,699	1.83%	180,518	1.94%	1,819	1.02%	201,570	2.12%	21,052	11.66%
84 Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
85 Golf	99,068	1.01%	137,421	1.47%	38,353	38.71%	146,104	1.54%	8,683	6.32%
86 Soccer	448,233	4.59%	459,308	4.93%	11,075	2.47%	483,523	5.08%	24,215	5.27%
87 Softball	410,916	4.20%	448,444	4.81%	37,528	9.13%	411,500	4.32%	(36,944)	-8.24%
88 Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
89 Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
90 Rodeo/New Sport	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
91 Total Women's Programs	2,715,082	27.78%	2,935,804	31.49%	220,722	8.13%	3,010,852	31.64%	75,048	2.56%
92										
93 Total Expenditures	9,774,045	100.00%	9,324,449	100.00%	(449,596)	-4.60%	9,516,645	100.00%	192,196	2.06%

University of Idaho
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %
1 Revenue:										
2 Program Revenue:										
3 Ticket Sales	791,987	4.12%	668,864	3.39%	(123,123)	-15.55%	673,000	3.39%	4,136	0.62%
4 Guarantees	3,344,000	17.41%	1,831,000	9.27%	(1,513,000)	-45.25%	2,237,500	11.26%	406,500	22.20%
5 Contributions	2,354,911	12.26%	3,053,172	15.46%	698,261	29.65%	2,766,602	13.93%	(286,570)	-9.39%
6 NCAA/Conference/Tournaments	834,318	4.34%	1,525,580	7.72%	691,262	82.85%	1,525,580	7.68%	0	0.00%
7 TV/Radio/Internet Rights	75,000	0.39%	50,000	0.25%	(25,000)	-33.33%	75,000	0.38%	25,000	50.00%
8 Program/Novelty Sales, Concessionns, Parking	25,708	0.13%	34,100	0.17%	8,392	32.64%	34,100	0.17%	0	0.00%
9 Royalty, Advertisement, Sponsorship	736,100	3.83%	710,000	3.59%	(26,100)	-3.55%	735,000	3.70%	25,000	3.52%
10 Endowment/Investment Income	419,243	2.18%	225,000	1.14%	(194,243)	-46.33%	225,000	1.13%	0	0.00%
11 Other	251,019	1.31%	306,000	1.55%	54,981	21.90%	306,000	1.54%	0	0.00%
12 Total Program Revenue	8,832,286	45.99%	8,403,716	42.55%	(428,570)	-4.85%	8,577,782	43.17%	174,066	2.07%
13 Non-Program Revenue:										
14 NCAA/Bowl/World Series	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
15 Student Fees	2,269,389	11.82%	2,261,110	11.45%	(8,279)	-0.36%	2,201,849	11.08%	(59,261)	-2.62%
16 Direct State General Funds	2,515,800	13.10%	2,671,900	13.53%	156,100	6.20%	2,752,200	13.85%	80,300	3.01%
17 Gender Equity - General Funds	961,600	5.01%	1,021,300	5.17%	59,700	6.21%	1,172,000	5.90%	150,700	14.76%
18 Direct Institutional Support	812,800	4.23%	860,400	4.36%	47,600	5.86%	899,700	4.53%	39,300	4.57%
19 Subtotal State/Institutional Support	4,290,200	22.34%	4,553,600	23.05%	263,400	6.14%	4,823,900	24.28%	270,300	5.94%
20 Total Non-Program Revenue	6,559,589	34.16%	6,814,710	34.50%	255,121	3.89%	7,025,749	35.36%	211,039	3.10%
21 Subtotal Operating Revenue	15,391,875	80.15%	15,218,426	77.05%	(173,449)	-1.13%	15,603,531	78.54%	385,105	
22 Non-Cash Revenue										
23 Third Party Support	448,650	2.34%	423,800	2.15%	(24,850)	-5.54%	423,800	2.13%	0	0.00%
24 Indirect Institutional Support	495,585	2.58%	468,254	2.37%	(27,331)	-5.51%	152,882	0.77%	(315,372)	-67.35%
25 Non-Cash Revenue	542,077	2.82%	596,710	3.02%	54,633	10.08%	536,710	2.70%	(60,000)	-10.06%
26 Out-of-State Tuition Revenue	2,326,282	12.11%	3,044,250	15.41%	717,968	30.86%	3,150,900	15.86%	106,650	3.50%
27 Subtotal Non-Cash Revenue	3,812,594	19.85%	4,533,014	22.95%	720,420	18.90%	4,264,292	21.46%	(268,722)	-5.93%
28 Total Revenue:	19,204,469	100.00%	19,751,440	100.00%	546,971	2.85%	19,867,823	100.00%	116,383	0.59%
29										
30 Expenditures										
31 Operating Expenditures:										
32 Athletics Student Aid	3,169,167	16.30%	3,552,364	18.03%	383,197	12.09%	3,661,829	18.72%	109,465	3.08%
33 Guarantees	807,373	4.15%	215,200	1.09%	(592,173)	-73.35%	478,200	2.44%	263,000	122.21%
34 Coaching Salary/Benefits	2,805,591	14.43%	2,906,898	14.76%	101,307	3.61%	2,975,063	15.21%	68,165	2.34%
35 Admin Staff Salary/Benefits	2,016,005	10.37%	2,086,761	10.59%	70,756	3.51%	2,046,978	10.46%	(39,783)	-1.91%
36 Severence Payments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
37 Recruiting	387,576	1.99%	363,080	1.84%	(24,496)	-6.32%	358,030	1.83%	(5,050)	-1.39%
38 Team Travel	2,191,881	11.27%	2,349,442	11.93%	157,561	7.19%	2,073,290	10.60%	(276,152)	-11.75%
39 Equipment, Uniforms and Supplies	556,167	2.86%	540,361	2.74%	(15,806)	-2.84%	543,891	2.78%	3,530	0.65%
40 Game Expenses	650,815	3.35%	575,710	2.92%	(75,105)	-11.54%	623,378	3.19%	47,668	8.28%
41 Fund Raising, Marketing, Promotion	385,136	1.98%	270,526	1.37%	(114,610)	-29.76%	289,546	1.48%	19,020	7.03%
42 Direct Facilities/Maint/Rentals	68,292	0.35%	158,841	0.81%	90,549	132.59%	158,841	0.81%	0	0.00%
43 Debt Service on Facilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
44 Spirit Groups	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
45 Medical Expenses & Insurance	339,813	1.75%	388,580	1.97%	48,767	14.35%	388,580	1.99%	0	0.00%
46 Memberships & Dues	274,062	1.41%	134,100	0.68%	(139,962)	-51.07%	134,100	0.69%	0	0.00%
47 NCAA/Special Event/Bowls	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
48 Other Operating Expenses	2,080,750	10.70%	1,685,639	8.56%	(395,111)	-18.99%	1,674,347	8.56%	(11,292)	-0.67%
49 Subtotal Operating Expenditures	15,732,628	80.92%	15,227,502	77.29%	(505,126)	-3.21%	15,406,072	78.75%	178,570	1.17%
50 Non-Cash Expenditures										
51 3rd Party Coaches Compensation	433,650	2.23%	408,800	2.08%	(24,850)	-5.73%	408,800	2.09%	0	0.00%
52 3rd Party Admin Staff Compensation	15,000	0.08%	15,000	0.08%	0	0.00%	15,000	0.08%	0	0.00%
53 Indirect Facilities & Admin Support	495,585	2.55%	468,253	2.38%	(27,332)	-5.52%	152,882	0.78%	(315,371)	-67.35%
54 Non-Cash Expense	439,631	2.26%	536,710	2.72%	97,079	22.08%	536,710	2.74%	0	0.00%
55 Out-of-State Tuition Expense	2,326,282	11.96%	3,044,250	15.45%	717,968	30.86%	3,044,250	15.56%	0	0.00%
56 Subtotal Non-Cash Expenditures	3,710,148	19.08%	4,473,013	22.71%	762,865	20.56%	4,157,642	21.25%	(315,371)	-7.05%
57 Total Expenditures:	19,442,776	100.00%	19,700,515	100.00%	257,739	1.33%	19,563,714	100.00%	(136,801)	-0.69%

University of Idaho
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets

Attachment 6

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %
58										
59 Net Income/(deficit)	(238,307)		50,925		289,232	-121.37%	304,109		253,184	497.17%
60										
61 Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)	38,197		89,122		50,925	133.32%	393,231		304,109	341.23%
62										
63 Sport Camps & Clinics										
64 Revenue	125,150		236,300		111,150	88.81%	200,000	1.02%	(36,300)	-15.36%
65 Coach Compensation from Camp	12,149		61,828		49,679	408.91%	54,000	0.28%	(7,828)	-12.66%
66 Camp Expenses	113,001		174,472		61,471	54.40%	146,000	0.75%	(28,472)	-16.32%
67 Total Expenses	125,150		236,300		111,150	88.81%	200,000	1.02%	(36,300)	-15.36%
68										
69 Net Income from Camps	0		0		0	0.00%	0		0	0.00%

**University of Idaho
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 6

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
			FY15 Est as of 5/14		(3-1) Variance 15 Est/14 Act	(5/1) Variance %	FY16 Orig Oper Bdgt		(7-3) Variance	(9/3) Variance %	
	FY14 Act	%		%				%	16 Bud/15 Est		
Revenue by Program:											
1 General Revenue:											
2	Student Fees	2,269,389	14.74%	2,261,110	14.86%	(8,279)	-0.36%	2,201,849	14.11%	(59,261)	-2.62%
3	Contributions	2,354,911	15.30%	3,053,172	20.06%	698,261	29.65%	2,766,602	17.73%	(286,570)	-9.39%
4	Direct State General Funds	2,515,800	16.34%	2,671,900	17.56%	156,100	6.20%	2,752,200	17.64%	80,300	3.01%
5	Gender Equity - General Funds	961,600	6.25%	1,021,300	6.71%	59,700	6.21%	1,172,000	7.51%	150,700	14.76%
6	Institutional Support	812,800	5.28%	860,400	5.65%	47,600	5.86%	899,700	5.77%	39,300	4.57%
7	NCAA/Conference	834,318	5.42%	1,525,580	10.02%	691,262	82.85%	1,525,580	9.78%	0	0.00%
8	TV/Radio/Internet	75,000	0.49%	50,000	0.33%	(25,000)	-33.33%	75,000	0.48%	25,000	50.00%
9	Concessions/program/etc.	25,708	0.17%	34,100	0.22%	8,392	32.64%	34,100	0.22%	0	0.00%
10	Advertising/sponsorship/Royalty	736,100	4.78%	710,000	4.67%	(26,100)	-3.55%	735,000	4.71%	25,000	3.52%
11	Endowments	419,243	2.72%	225,000	1.48%	(194,243)	-46.33%	225,000	1.44%	0	0.00%
12	NCAA/Bowl/World Series	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
13	Other	251,019	1.63%	306,000	2.01%	54,981	21.90%	306,000	1.96%	0	0.00%
14	Total General Revenue	11,255,888	73.13%	12,718,562	83.57%	1,462,674	12.99%	12,693,031	81.35%	(25,531)	-0.20%
15 Revenue By Sport:											
16 Men's Programs:											
17 Football											
18	Ticket Sales	704,355	4.58%	610,000	4.01%	(94,355)	-13.40%	600,000	3.85%	(10,000)	-1.64%
19	Game Guarantees	3,135,000	20.37%	1,700,000	11.17%	(1,435,000)	-45.77%	2,100,000	13.46%	400,000	23.53%
20	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
21 Basketball											
22	Ticket Sales	66,680	0.43%	45,000	0.30%	(21,680)	-32.51%	55,000	0.35%	10,000	22.22%
23	Game Guarantees	150,000	0.97%	80,000	0.53%	(70,000)	-46.67%	85,000	0.54%	5,000	6.25%
24	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
25	Track & Field/Cross Country	1,207	0.01%	932	0.01%	(275)	-22.78%	0	0.00%	(932)	-100.00%
26	Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
27	Baseball Ticket Sales	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
28	Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
29	Golf	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
30	Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
31	Total Men's Sport Revenue	4,057,242	26.36%	2,435,932	16.01%	(1,621,310)	-39.96%	2,840,000	18.20%	404,068	16.59%
32 Women's Programs											
33 Volleyball											
34	Ticket Sales	7,444	0.05%	6,000	0.04%	(1,444)	-19.40%	7,000	0.04%	1,000	16.67%
35	Game Guarantees	1,000	0.01%	0	0.00%	(1,000)	-100.00%	6,000	0.04%	6,000	100.00%
36	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
37 Basketball											
38	Ticket Sales	11,093	0.07%	6,000	0.04%	(5,093)	-45.91%	11,000	0.07%	5,000	83.33%
39	Game Guarantees	58,000	0.38%	51,000	0.34%	(7,000)	-12.07%	46,500	0.30%	(4,500)	-8.82%
40	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
41	Track & Field/Cross Country	1,208	0.01%	932	0.01%	(276)	-22.85%	0	0.00%	(932)	-100.00%
42	Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
43	Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
44	Golf	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
45	Soccer	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
46	Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
47	Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
48	Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
49	Total Women's Sport Rev	78,745	0.51%	63,932	0.42%	(14,813)	-18.81%	70,500	0.45%	6,568	10.27%
50	Total Revenue	15,391,875	100.00%	15,218,426	100.00%	(173,449)	-1.13%	15,603,531	100.00%	385,105	2.53%

University of Idaho
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets

Attachment 6

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY14 Act	%	FY15 Est as of 5/14	%	(3-1)	(5/1)	FY16 Orig Oper Bdgt	%	(7-3)	(9/3)
					Variance 15 Est/14 Act	Variance %			Variance 16 Bud/15 Est	Variance %
51 Expenditures by Sport										
52 Administrative and General										
53 Athletic Director Office	1,113,183	7.08%	595,311	3.91%	(517,872)	-46.52%	672,000	4.36%	76,689	12.88%
54 Fund Raising Office	363,056	2.31%	350,189	2.30%	(12,867)	-3.54%	357,825	2.32%	7,636	2.18%
55 Academics Support	160,622	1.02%	195,830	1.29%	35,208	21.92%	174,026	1.13%	(21,804)	-11.13%
56 Media Relations	215,540	1.37%	201,726	1.32%	(13,814)	-6.41%	215,944	1.40%	14,218	7.05%
57 Marketing and Promotions	181,095	1.15%	229,896	1.51%	48,801	26.95%	231,042	1.50%	1,146	0.50%
58 Ticket Office	262,982	1.67%	209,501	1.38%	(53,481)	-20.34%	195,079	1.27%	(14,422)	-6.88%
59 Athletic Training Room	672,862	4.28%	307,000	2.02%	(365,862)	-54.37%	307,000	1.99%	0	0.00%
60 Memberships and Dues	475,816	3.02%	134,100	0.88%	(341,716)	-71.82%	134,100	0.87%	0	0.00%
61 Facilities Mtn & Debt Service	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
62 Capital Improvements	42,864	0.27%	20,250	0.13%	(22,614)	-52.76%	20,250	0.13%	0	0.00%
63 NCAA/Special Event/Bowls	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
64 Other Miscellaneous	759,794	4.83%	1,568,963	10.30%	809,169	106.50%	1,509,480	9.80%	(59,483)	-3.79%
65 Total Admin & General	4,247,814	27.00%	3,812,766	25.04%	(435,048)	-10.24%	3,816,745	24.77%	3,979	0.10%
66										
67 Men's Programs:										
68 Football	5,265,775	33.47%	5,427,883	35.65%	162,108	3.08%	5,500,991	35.71%	73,108	1.35%
69 Basketball	1,580,595	10.05%	1,319,231	8.66%	(261,364)	-16.54%	1,311,226	8.51%	(8,005)	-0.61%
70 Track & Field/Cross Country	454,751	2.89%	441,459	2.90%	(13,292)	-2.92%	433,967	2.82%	(7,492)	-1.70%
71 Tennis	180,105	1.14%	220,778	1.45%	40,673	22.58%	231,193	1.50%	10,415	4.72%
72 Baseball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
73 Wrestling	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
74 Golf	227,759	1.45%	210,128	1.38%	(17,631)	-7.74%	210,436	1.37%	308	0.15%
75 Volleyball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
76 Rodeo	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
77 Total Men's Programs	7,708,985	49.00%	7,619,479	50.04%	(89,506)	-1.16%	7,687,813	49.90%	68,334	0.90%
78										
79 Women's Programs										
80 Volleyball	678,235	4.31%	683,510	4.49%	5,275	0.78%	694,483	4.51%	10,973	1.61%
81 Basketball	966,168	6.14%	962,343	6.32%	(3,825)	-0.40%	962,579	6.25%	236	0.02%
82 Track & Field/Cross Country	495,296	3.15%	517,017	3.40%	21,721	4.39%	550,996	3.58%	33,979	6.57%
83 Tennis	241,800	1.54%	273,169	1.79%	31,369	12.97%	274,124	1.78%	955	0.35%
84 Gymnastics	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
85 Golf	251,938	1.60%	247,494	1.63%	(4,444)	-1.76%	248,963	1.62%	1,469	0.59%
86 Soccer	581,308	3.69%	575,406	3.78%	(5,902)	-1.02%	602,548	3.91%	27,142	4.72%
87 Softball	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
88 Skiing	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
89 Swimming	561,084	3.57%	536,318	3.52%	(24,766)	-4.41%	567,819	3.69%	31,501	5.87%
90 Rodeo/New Sport	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
91 Total Women's Programs	3,775,829	24.00%	3,795,257	24.92%	19,428	0.51%	3,901,513	25.32%	106,256	2.80%
92										
93 Total Expenditures	15,732,628	100.00%	15,227,502	100.00%	(505,126)	-3.21%	15,406,072	100.00%	178,570	1.17%

**Lewis Clark College
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 7

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			FY15 Est		(3-1)	(5/1)	FY16 Orig		(7-3)	(9/3)
	FY14 Act	%	as of 5/14	%	Variance	Variance	Oper Bdgt	%	Variance	Variance
					15 Est/14 Act	%			16 Bud/15 Est	%
1 Revenue:										
2 Program Revenue:										
3 Ticket Sales	38,204	0.91%	40,200	0.92%	1,996	5.22%	35,000	0.78%	(5,200)	-12.94%
4 Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
5 Contributions	581,042	13.88%	694,300	15.94%	113,258	19.49%	614,200	13.67%	(80,100)	-11.54%
6 NCAA/Conference/Tournaments		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
7 TV/Radio/Internet Rights	4,400	0.11%	4,800	0.11%	400	9.09%	4,800	0.11%	0	0.00%
8 Program/Novelty Sales, Concessionns, Parking		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
9 Royalty, Advertisement, Sponsorship		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
10 Endowment/Investment Income		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
11 Other		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
12 Total Program Revenue	623,646	14.90%	739,300	16.98%	115,654	18.54%	654,000	14.56%	(85,300)	-11.54%
13 Non-Program Revenue:										
14 NCAA/Bowl/World Series	575,684	13.75%	470,900	10.81%	(104,784)	-18.20%	533,000	11.87%	62,100	13.19%
15 Student Fees	428,761	10.24%	420,900	9.67%	(7,861)	-1.83%	410,000	9.13%	(10,900)	-2.59%
16 Direct State General Funds	905,307	21.62%	1,071,000	24.60%	165,693	18.30%	1,125,500	25.06%	54,500	5.09%
17 Gender Equity - General Funds		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
18 Direct Institutional Support	126,500	3.02%	129,900	2.98%	3,400	2.69%	179,000	3.98%	49,100	37.80%
19 Subtotal State/Institutional Support	1,031,807	24.64%	1,200,900	27.58%	169,093	16.39%	1,304,500	29.04%	103,600	8.63%
20 Total Non-Program Revenue	2,036,252	48.64%	2,092,700	48.06%	56,448	2.77%	2,247,500	50.03%	154,800	7.40%
21 Subtotal Operating Revenue	2,659,898	63.53%	2,832,000	65.04%	172,102	6.47%	2,901,500	64.59%	69,500	2.45%
22 Non-Cash Revenue										
23 Third Party Support	35,600	0.85%	37,000	0.85%	1,400	3.93%	37,000	0.82%	0	0.00%
24 Indirect Institutional Support	217,521	5.20%	200,000	4.59%	(17,521)	-8.05%	222,600	4.96%	22,600	11.30%
25 Non-Cash Revenue		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
26 Out-of-State Tuition Revenue	1,273,674	30.42%	1,285,500	29.52%	11,826	0.93%	1,331,000	29.63%	45,500	3.54%
27 Subtotal Non-Cash Revenue	1,526,795	36.47%	1,522,500	34.96%	(4,295)	-0.28%	1,590,600	35.41%	68,100	4.47%
28 Total Revenue:	4,186,693	100.00%	4,354,500	100.00%	167,807	4.01%	4,492,100	100.00%	137,600	3.16%
29										
30 Expenditures										
31 Operating Expenditures:										
32 Athletics Student Aid	501,450	12.13%	594,600	13.86%	93,150	18.58%	617,000	13.74%	22,400	3.77%
33 Guarantees	38,484	0.93%	49,100	1.14%	10,616	27.59%	47,500	1.06%	(1,600)	-3.26%
34 Coaching Salary/Benefits	549,531	13.29%	601,900	14.03%	52,369	9.53%	657,100	14.63%	55,200	9.17%
35 Admin Staff Salary/Benefits	298,242	7.21%	319,400	7.44%	21,158	7.09%	333,400	7.42%	14,000	4.38%
36 Severence Payments		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37 Recruiting	39,345	0.95%	30,900	0.72%	(8,445)	-21.46%	29,500	0.66%	(1,400)	-4.53%
38 Team Travel	301,736	7.30%	326,300	7.60%	24,564	8.14%	333,000	7.41%	6,700	2.05%
39 Equipment, Uniforms and Supplies	186,081	4.50%	187,000	4.36%	919	0.49%	185,700	4.13%	(1,300)	-0.70%
40 Game Expenses	89,618	2.17%	96,800	2.26%	7,182	8.01%	96,100	2.14%	(700)	-0.72%
41 Fund Raising, Marketing, Promotion		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
42 Direct Facilities/Maint/Rentals		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
43 Debt Service on Facilities		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
44 Spirit Groups		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
45 Medical Expenses & Insurance	14,970	0.36%	15,600	0.36%	630	4.21%	16,000	0.36%	400	2.56%
46 Memberships & Dues		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
47 NCAA/Special Event/Bowls	523,930	12.67%	460,100	10.72%	(63,830)	-12.18%	533,000	11.87%	72,900	15.84%
48 Other Operating Expenses	63,834	1.54%	86,900	2.03%	23,066	36.13%	53,200	1.18%	(33,700)	-38.78%
49 Subtotal Operating Expenditures	2,607,221	63.07%	2,768,600	64.52%	161,379	6.19%	2,901,500	64.59%	132,900	4.80%
50 Non-Cash Expenditures										
51 3rd Party Coaches Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
52 3rd Party Admin Staff Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
53 Indirect Facilities & Admin Support	217,521	5.26%	200,000	4.66%	(17,521)	-8.05%	222,600	4.96%	22,600	11.30%
54 Non-Cash Expense	35,600	0.86%	37,000	0.86%	1,400	3.93%	37,000	0.82%	0	0.00%
55 Out-of-State Tuition Expense	1,273,674	30.81%	1,285,500	29.96%	11,826	0.93%	1,331,000	29.63%	45,500	3.54%
56 Subtotal Non-Cash Expenditures	1,526,795	36.93%	1,522,500	35.48%	(4,295)	-0.28%	1,590,600	35.41%	68,100	4.47%
57 Total Expenditures:	4,134,016	100.00%	4,291,100	100.00%	157,084	3.80%	4,492,100	100.00%	201,000	4.68%

Lewis Clark State College
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets

Attachment 7

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			FY15 Est as of 5/14		(3-1) Variance 15 Est/14 Act	(5/1) Variance %	FY16 Orig Oper Bdgt		(7-3) Variance 16 Bud/15 Est	(9/3) Variance %
	FY14 Act	%		%				%		
58										
59 Net Income/(deficit)	52,677		63,400		10,723	20.36%	0		(63,400)	-100.00%
60										
61 Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)	<u>317,604</u>		<u>381,004</u>		63,400	19.96%	381,004		0	0.00%
62										
63 Sport Camps & Clinics										
64 Revenue	177,590		137,650		(39,940)	-22.49%	138,000	3.07%	350	0.25%
65 Coach Compensation from Camp	47,234		30,325		(16,909)	-35.80%	30,000	0.67%	(325)	-1.07%
66 Camp Expenses	43,091		39,560		(3,531)	-8.19%	40,000	0.89%	440	1.11%
67 Total Expenses	90,325		69,885		(20,440)	-22.63%	70,000	1.56%	115	0.16%
68										
69 Net Income from Camps	87,265		67,765		(19,500)	-22.35%	68,000		235	0.35%

**Lewis Clark College
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
					(3-1)	(5/1)			(7-3)	(9/3)	
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %	
Revenue by Program:											
1 General Revenue:											
2	Student Fees	428,761	16.12%	420,900	14.86%	(7,861)	-1.83%	410,000	14.13%	(10,900)	-2.59%
3	Contributions	45,875	1.72%	158,470	5.60%	112,595	245.44%	225,200	7.76%	66,730	42.11%
4	Direct State General Funds	905,307	34.04%	1,071,000	37.82%	165,693	18.30%	1,125,500	38.79%	54,500	5.09%
5	Gender Equity - General Funds	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
6	Institutional Support	126,500	4.76%	129,900	4.59%	3,400	2.69%	179,000	6.17%	49,100	37.80%
7	NCAA/Conference	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
8	TV/Radio/Internet	4,400	0.17%	4,800	0.17%	400	9.09%	4,800	0.17%	0	0.00%
9	Concessions/program/etc.	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
10	Advertising/sponsorship/Royalty	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11	Endowments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
12	NCAA/Bowl/World Series	575,684	21.64%	470,900	16.63%	(104,784)	-18.20%	533,000	18.37%	62,100	13.19%
13	Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
14	Total General Revenue	2,086,527	78.44%	2,255,970	79.66%	169,443	8.12%	2,477,500	85.39%	221,530	9.82%
15 Revenue By Sport:											
16 Men's Programs:											
17 Football											
18	Ticket Sales		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
19	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
20	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
21 Basketball											
22	Ticket Sales	8,405	0.32%	8,850	0.31%	445	5.29%	7,700	0.27%	(1,150)	-12.99%
23	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
24	Contributions (Fundraising)	137,819	5.18%	160,330	5.66%	22,511	16.33%	40,000	1.38%	(120,330)	-75.05%
24	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
25	Track & Field/Cross Country (Contributions & Fundraising)	29,508	1.11%	41,000	1.45%	11,492	38.95%	38,000	1.31%	(3,000)	-7.32%
26	Tennis (Contributions & Fundraising)	12,473	0.47%	18,400	0.65%	5,927	47.52%	5,000	0.17%	(13,400)	-72.83%
27 Baseball											
28	Ticket Sales	19,102	0.72%	20,100	0.71%	998	5.22%	17,500	0.60%	(2,600)	-12.94%
29	Contributions (Fundraising)	90,021	3.38%	92,700	3.27%	2,679	2.98%	90,000	3.10%	(2,700)	-2.91%
29	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
30	Golf (Contributions & Fundraising)	25,171	0.95%	30,900	1.09%	5,729	22.76%	30,000	1.03%	(900)	-2.91%
31	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
32	Total Men's Sport Revenue	322,499	12.12%	372,280	13.15%	49,781	15.44%	228,200	7.86%	(144,080)	-38.70%
33 Women's Programs											
34 Volleyball											
35	Ticket Sales	2,292	0.09%	2,400	0.08%	108	4.71%	2,100	0.07%	(300)	-12.50%
36	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Contributions (Fundraising)	47,508	1.79%	20,900	0.74%	(26,608)	-56.01%	50,000	1.72%	29,100	139.23%
38	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
39 Basketball											
40	Ticket Sales	8,405	0.32%	8,850	0.31%	445	5.29%	7,700	0.27%	(1,150)	-12.99%
41	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
42	Contributions (Fundraising)	98,993	3.72%	67,900	2.40%	(31,093)	-31.41%	59,000	2.03%	(8,900)	-13.11%
43	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
44	Track & Field/Cross Country (Contributions & Fundraising)	48,131	1.81%	50,400	1.78%	2,269	4.71%	38,000	1.31%	(12,400)	-24.60%
45	Tennis (Contributions & Fundraising)	16,132	0.61%	22,900	0.81%	6,768	41.95%	6,000	0.21%	(16,900)	-73.80%
46	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
47	Golf (Contributions & Fundraising)	29,411	1.11%	30,400	1.07%	989	3.36%	33,000	1.14%	2,600	8.55%
48	Soccer		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
49	Softball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
50	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
51	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
52	Total Women's Sport Rev	250,872	9.43%	203,750	7.19%	(47,122)	-18.78%	195,800	6.75%	(7,950)	-3.90%
53	Total Revenue	2,659,898	100.00%	2,832,000	100.00%	172,102	6.47%	2,901,500	100.00%	69,500	2.45%

**Lewis Clark State College
Intercollegiate Athletics Report
FY14 Actuals, Revised Estimates for FY15, and FY16 Operating Budgets**

Attachment 7

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					(3-1)	(5/1)			(7-3)	(9/3)
	FY14 Act	%	FY15 Est as of 5/14	%	Variance 15 Est/14 Act	Variance %	FY16 Orig Oper Bdgt	%	Variance 16 Bud/15 Est	Variance %
54 Expenditures by Sport										
55 Administrative and General										
56 Athletic Director Office	407,921	15.65%	440,650	15.92%	32,729	8.02%	424,027	14.61%	(16,623)	-3.77%
57 Fund Raising Office	1,134	0.04%	900	0.03%	(234)	-20.63%	1,500	0.05%	600	66.67%
58 Academics Support		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
59 Media Relations		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
60 Marketing and Promotions		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
61 Ticket Office		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
62 Athletic Training Room	40,050	1.54%	36,800	1.33%	(3,250)	-8.11%	41,467	1.43%	4,667	12.68%
63 Memberships and Dues		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
64 Facilities Mtn & Debt Service		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
65 Capital Improvements		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
66 NCAA/Special Event/Bowls	523,930	20.10%	460,100	16.62%	(63,830)	-12.18%	533,000	18.37%	72,900	15.84%
67 Other Miscellaneous		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
68 Total Admin & General	973,035	37.32%	938,450	33.90%	(34,585)	-3.55%	999,994	34.46%	61,544	6.56%
69										
70 Men's Programs:										
71 Football		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
72 Basketball	218,869	8.39%	259,200	9.36%	40,331	18.43%	263,552	9.08%	4,352	1.68%
73 Track & Field/Cross Country	71,277	2.73%	150,100	5.42%	78,823	110.59%	167,009	5.76%	16,909	11.27%
74 Tennis	31,852	1.22%	22,850	0.83%	(9,002)	-28.26%	42,718	1.47%	19,868	86.95%
75 Baseball	487,152	18.68%	496,700	17.94%	9,548	1.96%	500,627	17.25%	3,927	0.79%
76 Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
77 Golf	62,115	2.38%	70,400	2.54%	8,285	13.34%	74,460	2.57%	4,060	5.77%
78 Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
79 Rodeo		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
80 Total Men's Programs	871,265	33.42%	999,250	36.09%	127,985	14.69%	1,048,366	36.13%	49,116	4.92%
81										
82 Women's Programs										
83 Volleyball	229,043	8.78%	263,700	9.52%	34,657	15.13%	251,802	8.68%	(11,898)	-4.51%
84 Basketball	284,033	10.89%	287,900	10.40%	3,867	1.36%	284,666	9.81%	(3,234)	-1.12%
85 Track & Field/Cross Country	138,880	5.33%	165,000	5.96%	26,120	18.81%	178,314	6.15%	13,314	8.07%
86 Tennis	36,564	1.40%	29,100	1.05%	(7,464)	-20.41%	46,418	1.60%	17,318	59.51%
87 Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
88 Golf	74,401	2.85%	85,200	3.08%	10,799	14.51%	91,940	3.17%	6,740	7.91%
89 Soccer		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
90 Softball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
91 Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
92 Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
93 Rodeo/New Sport		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
94 Total Women's Programs	762,921	29.26%	830,900	30.01%	67,979	8.91%	853,140	29.40%	22,240	2.68%
95										
96 Total Expenditures	2,607,221	100.00%	2,768,600	100.00%	161,379	6.19%	2,901,500	100.00%	132,900	4.80%

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

SUBJECT

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

REFERENCE

June 2014 Board approved second reading of proposed amendments to policy.

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

Pursuant to Board policy, the Board annually reviews and approves the institutions' six-year capital construction plans. All major capital projects also require prior Board approval. Some institutions present proposed capital projects within the scope of a Campus Master Plan (CMP), but this has not always been the case. Current Board policy does not require an institution to have an approved CMP.

At the April 2015 Board meeting Board staff commented that Board review and approval of campus master plans is a best practice and recommended that Board policy be amended to require institutional master plans (including expansion zones if applicable) be approved by the Board. The Board concurred and directed staff to bring forward such a requirement in the form of a policy.

IMPACT

Proposed amendments to Board policy V.K. would require an institution to develop a long range Campus Master Plan and submit it to the Board for approval. This will ensure the Board is apprised of current and long-term initiatives when reviewing major capital projects.

ATTACHMENTS

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

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Based on a recent survey of institutions, Boise State University is the only institution to have brought its campus master plan to the Board for approval within at least the last ten years.

Board approval of a campus master plan does not constitute authority nor permission, either expressed or implied, to proceed with any real property acquisition, planning and design, or facility construction. Board policies V.I and V.K. (which includes Board approval of six year capital construction plans) still must be complied with in order to implement the projects contemplated in a master plan.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

BOARD ACTION

I move to approve the first reading of proposed amendments to Board policy V.K., Construction Projects, as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015**

**Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES**

SECTION: V. FINANCIAL AFFAIRS

Subsection: K. Construction Projects

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

BUSINESS AFFAIRS AND HUMAN RESOURCES
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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

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

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

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 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.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

- 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.

8. Campus Master Plans

Each institution shall develop a long-range Campus Master Plan (CMP). The CMP shall serve as a planning framework to guide the orderly and strategic growth and physical development of an institution's campus. The CMP shall be consistent with and support the institution's current mission, core themes and strategic plan. The CMP and substantive updates thereto must be approved by the Board.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

SUBJECT

Board Policy V.W. – Litigation – first reading

REFERENCE

June 2014

Board approved an amendment to clarify the litigation limits and reporting requirements.

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

Currently Board policy limits acceptance of service process at the Board Office to only the Executive Director.

IMPACT

This proposed amendment would extend authority to accept service of process to the Office's deputy attorneys general.

ATTACHMENTS

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

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board policy V.W., Litigation, as presented in Attachment 1.

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: W. Litigation

~~June~~August, 20145

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 the following positions are~~ authorized to accept service of process of such matter on behalf of the institution and/or Board:

a. The institution's chief executive officer or general counsel; or

b. The Board's executive director or deputy attorneys general.

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

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 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.

4. Litigation Reporting by Institutions

Legal counsel for the institutions shall provide monthly attorney–client privileged litigation reports 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 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
JUNE 18, 2015

BOISE STATE UNIVERSITY

SUBJECT

Proposed Student Housing Project

REFERENCE

April 2013

Idaho State Board of Education (Board) approved purchase of property at 1801 University Drive

February 2015

Board reviewed informational item on Proposed Student Housing Project

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

In February 2015, Boise State University (BSU) presented a proposal to the Board to privately develop a new 600-bed student housing facility, consisting of a 300-bed freshman housing facility and a 300-bed residential living/learning Honors College. The proposed project includes classrooms, student study spaces, Honors College offices and dining areas. This information item is intended to update the Board on project developments and address concerns expressed by the Board during the February 2015 meeting.

Concern #1: The Financial Strength of the Proposed Vendor, EDR Inc. (EDR)

EDR is a leading national provider of private student housing. Founded in 1952, EDR has market capitalization of approximately \$2 billion and owns or manages 73 communities with approximately 40,000 beds.

In February, the Board expressed concern that EDR had a debt rating equal to the minimum standard for investment grade debt. The following information demonstrates the financial strength and positive momentum of EDR:

- Since January 2010, EDR has:
 - Increased its enterprise value from \$654 million to \$2.4 billion;
 - Decreased its debt to gross assets ratio from 42.9 percent to 35.1 percent, and its secured debt to gross assets went from 41 percent to 12 percent;
 - Increased the number of owned or managed communities by 25 percent;
 - Sold \$378 million of older student housing communities at Tier 2 institutions
 - Acquired \$815 million in Tier 1 institution housing communities; and
 - \$494 million in new developments underway.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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- EDR is ranked first in total shareholder return when compared to all public student housing Real Estate Investment Trusts (REITs), second when compared to all public multifamily REITs, and ranked in the 87th percentile for all public REITs (all total shareholder return metric rankings from October 2010 to December 2014).
- Since 2012, EDR has delivered \$546 million in projects and averaged 94.1 percent first year occupancy and 99 percent second year occupancy.
- EDR had 2.2x interest coverage in 2010 and increased that coverage to 5.0x in 2014.
- EDR has an unsecured credit facility of \$500 million which is expandable to \$1 billion.
- On May 1, 2015 EDR earned a stock rating upgrade from Thomson Reuters.

Concern #2: Preservation of University Drive Frontage for Future Academic Building

BSU will present and discuss an alternate design option at the Board meeting.

IMPACT

The impact of the proposed student housing project remains materially the same as presented during the February 2015 Board meeting:

- BSU will not participate in the financing of this project nor be subordinated to any project or company debt.
- EDR will develop the project with 100 percent equity and will not, neither now nor in the future, issue debt secured by the assets of this project.
- EDR will be provided approximately two-thirds of the site commonly known as the University Christian Church for this project.
- BSU will provide a 50-year ground lease or operating agreement, commencing after construction, with no options for renewal or extension.
- BSU will own all the improvements either initially (with an operating agreement with EDR) or in 50 years after the completion of the ground lease.
- EDR will pay BSU a market-based ground lease consisting of a guaranteed minimum payment with annual escalations plus an additional payment based on a percentage of gross project revenues.
- BSU will be compensated for providing parking to the students who live in this housing.
- BSU will manage and deliver residential life programming, or at the option of BSU, EDR will provide residential life programming in a manner consistent with and approved by BSU.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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- BSU may lease space from EDR if such spaces are developed at the request of BSU.
- In lieu of leasing the dining hall for up to 50 years, BSU and its exclusive food service contractor may elect to purchase the dining hall from EDR. It is common for universities of comparable size to share in the expense of developing new food service venues with the food service provider. Utilizing private food service vendor funds and institutional reserves from University Dining, BSU may request Board approval to purchase this facility for a cost of approximately \$1-\$1.5 million. BSU will provide the Board with specific terms for food service space development at a future meeting.

Additional terms and conditions are detailed in the attached draft Ground Lease.

This item is provided to the Board for informational purposes and to solicit any comments and concerns from the Board which may be addressed by BSU in its continuing negotiations with EDR. BSU will return to the Board with a proposed final ground lease, development agreement and site plan in the near future.

ATTACHMENTS

Attachment 1– Draft Ground Lease

Page 5

Attachment 2 – Draft Operating Agreement

Page 73

STAFF COMMENTS AND RECOMMENDATIONS

Additional terms within the draft Ground Lease of potential interest to Board members include the following:

1. Section 3.01(a): A condition precedent for the project is that BSU would demolish or repurpose the existing residence hall known as “The Towers.” EDR would reimburse BSU \$1 million for cost associated with such repurposing.
2. Section 3.01(b): EDR would be responsible for razing all existing buildings on the former University Christian Church property, removing unsuitable soils and debris, and removal of all hazardous materials. Provided however, that if any subsurface hazardous materials are discovered on the property, the remediation of such materials is the responsibility of BSU.
3. Section 4.03: “If the parties agree that a restaurant should be incorporated into the project, the restaurant concept may include a mid-price range dining option with alcoholic beverages (subject to approval from the Idaho State Board of Education) available for consumption by adults and a site plan that is designed primarily for seated dining and not a ‘bar’ configuration that is primarily suited to alcohol consumption. BSU has the right to veto any sublessee/vendor or alter design elements, if in the sole opinion of the University the design of the proposed restaurant creates the image or feeling of a “bar” environment.”

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

4. Section 16.02: BSU retains all naming rights, and any revenue related thereto, on the project.
5. Section 16.03: During the first 15 years of the ground lease, if BSU desires to increase the total number of beds on campus, it would have to engage a third party to conduct an analysis and follow the recommendations therefrom of the need and determination that additional housing would not adversely impact the gross revenue of the EDR project.

Additional terms within the draft Operating Agreement of potential interest to Board members include the following:

1. Section 2.05: EDR shall determine the rental rates for the residential residents and commercial tenants. BSU has the right to approve the initial resident rent rate for the first year. Thereafter, EDR will determine the resident rent rate based on a not-to-exceed of stipulated criteria.
2. Section 2.09(e)(iv): EDR assumes all risk for non-payment of residential residents and commercial tenants.

BOARD ACTION

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

GROUND LEASE AGREEMENT

BETWEEN

BOISE STATE UNIVERSITY

AND

EDR BOISE LLC

DATED _____, 2015

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[to be completed]

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THIS LEASE (“Lease”) is made _____, 2015 between the IDAHO STATE BOARD OF EDUCATION BY AND THROUGH BOISE STATE UNIVERSITY, a State of Idaho public institution of higher education (“Landlord” or the “University”) and EDR BOISE LLC, a Delaware limited liability company (“Tenant”), a Delaware limited liability company, wholly-owned subsidiary of Education Realty Operating Partnership, LP, a Delaware limited Partnership (“Guarantor”) and affiliate of Education Realty Trust, Inc., a Maryland Corporation (“Parent” and together with Tenant and Guarantor and each of their respective affiliates, each a “Tenant Party” and collectively, the “Tenant Parties”).

RECITALS

A. The University is an urban campus and metropolitan research university that has experienced historical growth in enrollment, facilities and programs and has identified a need for additional on campus student housing and supporting mixed use facilities with a focus on its Residential Honors College and premium freshman housing.

B. The University’s current housing stock is insufficient to meet the current and growing demand by undergraduate students.

C. Research indicates that or the University believes that undergraduate students who live on-campus are more academically successful than those that do not and new housing will enable the University to attract and retain high quality students.

D. The University determined that it should pursue a public/private partnership arrangement to procure additional student housing and related facilities pursuant to a legal and financing structure that preserves its debt capacity for other capital projects; is self-sustaining and without recourse to or liability from any State general fund appropriations; and that there shall be no recourse to or liability from any State general fund appropriations, and except as specifically provided herein with regard to termination of such structure, provides that the University’s liability shall be limited to revenues derived from the Project.

E. The University issued that certain Request for Information and Statement of Qualifications to Negotiate for the development of a residential honors college and optional supporting mixed use facilities on property owned by Boise State University dated July 14, 2014, and after conducting its vetting process, on November 17, 2014 the University notified EdR of its selection as the leading vendor under consideration for development of the Project (as hereafter defined).

F. As part of such public/private partnership, Tenant will develop one or more facilities housing 600 undergraduate student beds composed of a 300 bed residential honors college and a 300 bed freshman living learning community, with associated food service and other mixed use opportunities as agreed upon by the parties and described in Exhibit B hereto (the “Improvements”) located on certain real property owned by the University and located on West University Drive as described in Exhibit A (the “Land”), with an anticipated completion date of August 2017, and financed by EdR pursuant to EdR’s ONE PlanSM – The On-Campus Equity Plan (collectively, the “Project”).

G. In conjunction with the development and later operation of the Project, the University desires to lease the Land to Tenant and Tenant desires to lease the Land from the University pursuant to the terms, conditions, covenants and provisions of this Lease and to construct Improvements upon the Land (collectively, the Land, Improvements and associated tangible personal property are referred to herein as the “**Premises**”).

H. Following development of the Project, the University and the Tenant intend that the Tenant will operate portions of the Project in accordance with the terms and conditions of an Operating Agreement to be entered into between University and Tenant concurrently with this Lease (the “**Operating Agreement**”).

I. As depicted on the conceptual drawings attached hereto as **Exhibit B**, certain areas of the Premises will be designated by Tenant for the operation and use of the University pursuant to the provisions set forth herein, for the purpose of an honors college and University offices and/or meeting spaces. In addition, also as depicted on Exhibit B, a portion of the Premises will contain space for a dining facility to be operated by the University’s chosen third party vendor pursuant to an agreement between such vendor and the University and a sublease between the University and Tenant (the “**Dining Sublease**”).

J. Guarantor desires to guarantee the performance of Tenant’s covenants and obligations under this Lease and the Operating Agreement by execution of a Guaranty concurrently herewith.

K. The purpose for which Tenant is leasing the Land and constructing the Improvements is to lease the Improvements in the manner and to the persons described in Section 13.01.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth by each party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by each party hereto, Landlord and Tenant hereby agree as follows with the intent to be legally bound. Capitalized terms not defined in the context of their first use may be located using the Index of Defined Terms which follows the signature pages to this Lease.

ARTICLE 1

PREMISES AND EASEMENT

Section 1.01 Land. Landlord is the holder of fee simple title to certain land located in Boise, Idaho which is more particularly described in Exhibit A attached to this Lease, together with all rights, easements and appurtenances thereto or in anywise belonging (the “**Land**”).

Section 1.02 Lease Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon and subject to the terms, conditions, covenants and provisions of this Lease,

on an as-is, where-is basis, the Land, together with all rights, privileges, easements and appurtenances belonging to or in any way pertaining to the Land.

Section 1.03 Easements; License.

(a) Easements for the Term. Landlord grants to Tenant a non-exclusive easement, which shall be coterminous with the Term of this Lease for the benefit of Tenant, Tenant's invitees, licensees and all occupants under Permitted Leases and the invitees and licensees of such occupants, over and across and the right to use in connection with others for purposes of ingress and egress to and from the Premises, those areas designated as the "**Ingress and Egress Easement Areas**" on Exhibit C attached hereto (the "**Ingress and Egress Easement**"), provided such use is in accordance with all University policies and procedures applicable to such Ingress and Egress Areas. Landlord agrees to maintain and repair the Ingress and Egress Easement Areas in a first class manner and at least consistent with Landlord's maintenance and repair procedures for similar areas on the University's campus. At Tenant's request, Landlord and Tenant will execute and deliver in a form suitable for recording at the Ada County Clerk's office a further customary Easement Agreement consistent with the foregoing. Landlord and Tenant agree to reasonably cooperate with one another in good faith relative to the granting of additional easements or licenses on the Land and Landlord's adjacent property. Without limiting the generality of the foregoing, Landlord agrees to timely grant to Tenant sidewalk and or/or utility easements (including without limitation electricity, water and sewer) and licenses over and across Landlord's adjacent property as are reasonably needed for Tenant's development, construction and operation of the Premises, any and all of such additional easements to be reflected on Exhibit C.

(b) Temporary Easement. Landlord grants to Tenant a temporary exclusive easement in the areas designated as the "**Construction Easement Areas**" on Exhibit D attached hereto (the "**Construction Easement**"). The Construction Easement Areas shall be used solely for the purpose of Tenant's construction of the Improvements. Tenant shall be solely responsible for the safety and security of the Construction Easement Areas and shall provide appropriate fencing (including appropriate screening) and signage. The Construction Easement is temporary and shall cease upon the Substantial Completion of the Improvements.

(c) License. In addition to the Land identified on Exhibit A, Landlord is the holder of fee simple title of an adjacent parcel of land shown as "**Adjacent Land**" on Exhibit A-1. Landlord anticipates that the Adjacent Land will be the site of future University improvements. Tenant is hereby granted a license to enter and move about the Adjacent Land to install the landscaping as described in the Plans and thereafter maintain such landscaping in the same manner as the landscaping on the Land (the "**License**"). The term of the License shall be coterminous with the Term of the Lease, except that Landlord may terminate the License upon ninety (90) days' notice to Tenant, which notice shall contain Landlord's plan to either develop the Adjacent Parcel or continue to maintain the Adjacent Parcel in an appropriate manner. Notwithstanding anything to the contrary set forth in this Lease or otherwise, Tenant's only responsibility as regards the Adjacent Land is to maintain the landscaping installed by Tenant thereon in the same manner as Tenant maintains the landscaping on the Land, and to indemnify Landlord for Tenant's negligence or willful misconduct in connection with Tenant's activities on the Adjacent Land. Otherwise, Landlord retains all responsibility of every kind and nature for the Adjacent Land.

ARTICLE 2

TERM

The term of this Lease shall commence on the date on which the Landlord and Tenant execute and deliver this Lease (the “**Commencement Date**”) and shall expire fifty (50) years after Substantial Completion of the Improvements, on the fiftieth (50th) anniversary thereof (the “**Term**”). The portion of the term from and after the Commencement Date through and until Substantial Completion of the Improvements is referred to herein as the “**Construction Term**”.

ARTICLE 3

DEVELOPMENT OF IMPROVEMENTS

Section 3.01 Demolition and Abatement of Existing Improvements.

(a) The University acknowledges and agrees that as a condition for development of the Premises and in order to make the Project financially feasible, from and after the Substantial Completion of the Premises and for the duration of the Term, the University will demolish, repurpose or otherwise re-designate for a purpose other than student housing the existing undergraduate residence hall known as The Towers. Tenant shall reimburse the University for some or all of the cost of such repurposing in the amount of One Million Dollars (\$1,000,000), which payment shall be made along with the first payment of Base Rent.

(b) Tenant shall (i) demolish all existing building improvements on the Land, including removal of below grade construction such as basement walls, foundation walls and footings, in accordance with plans and specifications which are prepared by an architect or engineer selected by Tenant and approved by Landlord, and which are mutually approved by Landlord and Tenant; (ii) remove all unsuitable soils and debris from the Land and infill or backfill as necessary to leave the Land appropriate for the start of new construction, (iii) remove all Hazardous Materials, insofar as recommended by a Phase I or other environmental engineering report required by the environmental engineers for the Project within the existing building improvements on the Land (collectively, the “**Demolition and Abatement Work**”).

(c) In the event that, during the Demolition and Abatement Work, any subsurface Hazardous Materials are discovered on the Land, the remediation of such Hazardous Materials shall be the responsibility of Landlord in accordance with Section 17.02. If such Hazardous Materials cannot be remediated to the approval of the applicable regulatory agency without causing a delay in the Project schedule, Landlord and Tenant shall meet as soon as practicable after such fact becomes reasonably apparent and engage in good faith negotiations to resolve any issues presented by the delay caused by the discovery of the Hazardous Materials, which negotiations may include, but are not limited to, mutually acceptable modifications to the agreements set forth in this Lease that would permit Substantial Completion of the Improvements to occur by the Substantial Completion Date, or modifications to the Substantial Completion Date that would extend the anticipated expected completion date of the Improvements to the following calendar year. If Landlord and Tenant are unable to agree on appropriate modifications to this Lease following such negotiation as determined in the sole discretion of Landlord, Landlord shall

be permitted to terminate this Lease in accordance with the terms of Section 3.04, and neither party shall be considered to be in default of this Lease.

(d) Upon the preliminary completion of the Demolition and Abatement Work, Tenant and Landlord shall inspect the Land and mutually agree that the Demolition and Abatement Work has been completed.

Section 3.02 Tenant's Obligation to Construct Improvements.

(a) On behalf of Landlord and for the consideration set forth herein, Tenant shall construct the buildings, structures, improvements and fixtures on the Land (the "**Improvements**") at Tenant's sole cost and expense in accordance with plans and specifications approved by the University's Director of Facilities Operations and Maintenance (the "**Plans**"). Landlord shall promptly respond to each approval request received from Tenant. Following approval, any material change to the Plans is subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. As depicted on the conceptual drawings attached hereto as Exhibit B, the Improvements shall generally consist of two attached buildings containing 600 beds, lobby/lounge areas, study rooms, multi-purpose rooms, offices for Tenant's staff and space to be designated for use by the University (a general depiction and description of which is set forth on Exhibit B), all with appropriate furnishings and all as may be finally agreed upon and described in the Plans. Prior to commencement of construction of any of the Improvements, the Plans for such Improvements shall have been approved by the Idaho Division of Building Safety, and Tenant shall have provided a copy of such approved Plans to Landlord.

(b) Landlord makes no representations or warranties regarding the Land. Except for Landlord's Remediation Obligations (as described in Section 17.02), Landlord is not responsible to Tenant for known and unknown surface and subsurface conditions in or on the Land. Tenant agrees to seek LEED Silver certification upon Substantial Completion of the Improvements. Tenant shall not be required to obtain any recertification or additional certification of LEED Silver status after the initial certification upon Substantial Completion.

(c) The initial budget for the design, development and construction of the Improvements (as it may be amended from time to time, the "**Development Budget**") is attached hereto as Exhibit E, and sets forth the estimated development costs for the Premises, including hard costs, furniture, fixtures and equipment, design fees, development/legal/closing costs, pre-opening costs, capitalized labor cost and project travel cost (collectively, the "**Estimated Development Costs**" and once final, the "**Total Development Costs**"). Notwithstanding anything herein to the contrary, after the execution of this Lease, Landlord is precluded from making requests that would increase the Total Development Costs unless Landlord agrees to be responsible for such costs. In such case, the Landlord may elect to pay for such costs prior to Final Completion or may reduce the total Rent due from Tenant in an amount sufficient for Tenant to recoup the amount of the increase in Total Development Costs. In order to preserve the alignment of the interests of the parties, in no case will Landlord requested changes be permitted where the necessary adjustment would result in Percentage Rent of less than five percent (5%) of the Gross Revenue. Otherwise, the only increases to the Total Development Costs shall be those items that Tenant deems necessary in order to complete its obligations under this Lease in the manner

required by this Lease. Any savings of the final agreed upon Total Development Costs as measured upon Final Completion of the Project will be split 50% to Landlord and 50% to Tenant and the Landlord's portion of any savings will be paid as a lump sum at Final Completion.

Section 3.03 Work Product. Upon Substantial Completion, all of the Tenant Parties' right, title and interest in and to the Plans, professional third party reports commissioned by the Tenant Parties (such as environmental, geotechnical, survey and market study), and other work products prepared by or on behalf of the Tenant Parties (such as budgets, proformas and market studies) in connection with the pre-development activities (collectively the "**Work Product**") shall become the property of the University.

Section 3.04 Covenants and Requirements of Construction.

(a) In the construction of the Improvements (sometimes referred to as the "**Work**"), Tenant:

(i) shall at its own cost and expense obtain and comply with all permits and approvals necessary for the construction of the Improvements;

(ii) shall comply with all Requirements of any Public Authority including without limitation, Environmental Laws, applicable to the Work; provided, however, that in performing the Work, and Tenant shall not be required to comply with construction standards imposed by the University on the construction of buildings by the University unless specifically noted otherwise in this Lease;

(iii) shall give prior notice to Landlord of all Tenant's architects, engineers and general contractors to be engaged in the construction of the Improvements, permitting Landlord to object to any such engagement, provided that such objection will not be unreasonably made, conditioned or delayed;

(iv) shall perform the Work within the times provided for herein, in compliance with the Plans, in a good and workmanlike manner, and in accordance with all the provisions of this Lease;

(v) shall perform the Work in a manner not to unreasonably interfere with the University's campus life;

(vi) shall allow Landlord unrestricted access to the Premises during the Work, including a project manager designated by Landlord (and compensated by Landlord) to monitor the Work;

(vii) shall be fully and solely responsible for safety of the jobsite, the Construction Easement Areas and the immediately surrounding public areas and compliance with applicable safety laws and regulations;

(viii) shall timely pay, prior to the filing of any Liens, all proper accounts for work done or materials furnished under all contracts which it has entered into relating to the Work in accordance with the terms of the contracts and state law;

(ix) shall require the contractor to provide, on or before the commencement of the Work, the following bonds for the benefit of Tenant and Landlord, executed by a surety authorized to do business in the state in which the Premises are located and with an A.M. Best Rating of A- or better: (A) a co-obligee payment bond or a payment bond and a dual obligee rider in an amount equal to one hundred percent (100%) of the original contract price; and (B) a co-obligee performance bond or a performance bond and a dual obligee rider in an amount equal to one hundred percent (100%) of the contract price as it may be increased;

(x) shall develop a traffic plan addressing traffic interruptions during the duration of the Work. Tenant shall submit the traffic plan to the University for approval promptly prior to the commencement of on-site Work at the Premises and Landlord shall approve or make modifications promptly after receipt of the traffic plan from Tenant. The traffic plan shall address all preexisting private and public automobile, bicycle and pedestrian transportation affected by the Work, including, but not limited to, access to bus stops and traffic during athletic, performing arts and other special events occurring during the duration of the Work and construction/contractor employee parking off site; and

(xi) shall provide for street cleaning, clear access to other University property, emergency vehicle access to all surrounding areas, construction staging with appropriate fencing and parking, hoisting requirements and limitations, project signage limitations, salvage items, and protection of surrounding sidewalks and existing infrastructure.

(b) No open burning of any materials or any use or storage of Hazardous Materials (except in accordance with Environmental Laws) shall be permitted on the Premises or the Construction Easement Areas.

(c) The Work on the Improvements will be limited to 8:00 a.m. to 7:00 p.m. Monday through Friday and 9:00 a.m. to 6:00 p.m. on Saturday, with no heavy construction noise prior to 8:00 a.m. or during the University's final examination periods (which periods shall be determined by the University in its sole and absolute discretion). Unless otherwise approved by Landlord, Tenant shall give seventy-two (72) hour written notice to residents and building operators prior to any utility shutdown which would affect the neighboring residential communities.

(d) Any rock blasting performed on the Premises must be approved in writing by a representative designated by the University at least two (2) weeks prior to the blasting activities and in accordance with University blasting standards. All blasting activities performed by Tenant must comply with heavy construction noise work limitations and restrictions.

(e) Tenant shall require construction employees to adhere to a code of conduct approved by Landlord and in keeping with the code of conduct enforced by Landlord on other comparable construction projects undertaken by Landlord, which includes the University's policies prohibiting smoking on campus.

Section 3.05 Completion of Construction. Tenant agrees that Substantial Completion of the Improvements, in accordance with the Plans, and furnishing of the Improvements for occupancy under the Permitted Leases shall occur on or before July 31, [2017] (the "**Substantial**

Completion Date”), and thereafter Tenant shall complete the construction and furnishing of the Improvements in accordance with all provisions of this Lease. If Substantial Completion and the fixturing and furnishing of the Improvements, in accordance with the Plans, have not occurred on or before the Substantial Completion Date for any reason, including but not limited to a Force Majeure Event, Tenant shall, at Tenant’s expense, provide suitable housing approved by Landlord in its reasonable discretion, for all Residential Residents with whom Tenant has entered into Permitted Residential Leases and who cannot occupy the Improvements, until Substantial Completion and the fixturing and furnishing of the Improvements have occurred. Landlord agrees that it will cooperate with Tenant to house any such Residential Residents, including renting rooms in existing University housing to Tenant. In the case of Force Majeure, Tenant shall only be required to reimburse Landlord for its actual out of pocket costs to house the displaced tenants. For any other delay not constituting Force Majeure, Tenant will pay the University’s then current rental rate for any on-campus accommodations for Residential Residents. Notwithstanding anything set forth in this Lease to the contrary, if Substantial Completion of the Improvements has not occurred by the Substantial Completion Date due to the occurrence of a Force Majeure Event, the date by which Tenant must achieve Substantial Completion of the Improvements shall be extended by the number of days equal to the number of days Tenant is delayed in achieving Substantial Completion of the Improvements as a result of such Force Majeure Event; provided that in no event shall Substantial Completion of the Improvements occur later than July 31, 2017.

Section 3.06 Substantial Completion of Improvements.

(a) “**Substantial Completion**” of the Improvements shall be deemed to have occurred upon Landlord’s receipt of evidence, in the form of a customary AIA certificate of the licensed architects employed by Tenant that Tenant has achieved Substantial Completion, and that:

(i) the Improvements shall have been completed in all respects in a good and workmanlike manner and in accordance with the Plans;

(ii) all building equipment and services, including utilities, heating and air conditioning systems, voice systems, data systems and video systems have been completed, are operating properly and are available for use by Tenant and Permitted Residents;

(iii) a certificate of occupancy or temporary certificate of occupancy has been issued permitting occupancy of the Improvements by Permitted Residents;

(iv) all other necessary approvals by public regulatory authorities have been given; and

(v) Tenant may enjoy beneficial use or occupancy of the Improvements and may use, operate, and maintain the Improvements in all respects, for their intended purpose, including use by Permitted Residents in accordance with the terms of the Permitted Leases.

(b) Subsequent to Substantial Completion, Tenant shall, to the extent such work is not already completed, promptly (and in any event not later than forty-five (45) days following Substantial Completion) complete the remaining grading, landscaping, debris removal and removal of surplus building material and rubbish from the Premises. Tenant shall also promptly

(and in any event not later than sixty (60) days following Substantial Completion) complete and satisfy any conditions included in any temporary certificate of occupancy and achieve final completion. During such sixty (60) day period, Tenant shall perform all work in a manner that does not interfere with or disturb Permitted Residents occupying the Premises pursuant to Permitted Leases.

Section 3.07 No Bid Requirement. Tenant is not subject to Landlord’s bidding rules and processes or other state law procurement standards during the construction of the Improvements. However, and to the extent required by law, Tenant agrees to promote open competitive bidding opportunities for participation by local, regional, and statewide contractors. Tenant will promote opportunities for women and minority owned businesses. Tenant will keep Landlord informed as to how it proposes to meet these goals.

Section 3.08 Utility and Sewer Connections.

(a) Landlord and Tenant agree to jointly obtain necessary connection permits from _____ or private utilities prior to commencement of construction of the Improvements, including, but not limited to, a sanitary sewer permit. Landlord’s responsibility for utilities, electric power, storm and sanitary sewers, and water lines and/or connections is expressly limited to assistance in obtaining connection permits, and, except as expressly set forth in Article 7, does not include any improvements to existing infrastructure including utilities, electric power, storm and sanitary sewers, and water lines and/or connections.

ARTICLE 4

USE OF PREMISES

Section 4.01 Tenant’s Use. The primary use of the Premises is as the residential honors college for the University and as premium first year student housing and the Premises shall be designated as such by the University and Tenant for the duration of the Term. In addition to such primary use, Tenant may use the Premises generally for the co-ed housing of full-time or part-time undergraduate and graduate students enrolled at the University (“**Student Residents**”), individuals participating in, attending events at, sponsored by, sanctioned or otherwise related to the University, and such other persons who meet Tenant’s rental criteria (all of which along with Student Residents are collectively, “**Residential Residents**”), (b) the provision of services and amenities to permitted occupants of the Premises; and (c) the leasing of any retail space in the Premises for commercial retail purposes to a subtenant (a “**Commercial Tenant**”) approved by Landlord, in its reasonable discretion (the Residential Residents and Commercial Tenants, collectively, the “**Permitted Residents**”). Landlord shall approve the leases for the Permitted Residents (the “**Permitted Lease**”). The parties agree that Commercial Tenants shall not use the Premises for any of the uses described on Exhibit F (the “**Prohibited Commercial Uses**”). The inclusion of the list of Prohibited Commercial Uses shall not be deemed to imply that other commercial uses are reasonable, nor shall it limit Landlord’s right to approve Commercial Tenants in its reasonable discretion.

Section 4.02 University Use. EDR shall designate space in the Premises to the University for its exclusive use as an honors college and University office space as described on

Exhibit B (the “**University Areas**”). For any University Area that generates income or is primarily for the benefit of the University rather than the residents of the Project, Landlord and Tenant shall agree on a reduction in the Base Rent to compensate Tenant for the loss of revenue for such designated area. The University shall be responsible for costs associated with cabling plant, data headend equipment and distribution services required to provide Internet access to the University Areas. The University shall be responsible for providing the support and maintenance (including replacement and upgrades) for the equipment from the wall-plate out into the University Areas and Tenant shall be responsible for providing support and maintenance (including replacement and upgrades) from the wall-plate back.

Section 4.03 Dining Facilities and Other Food-based Retail Spaces. Tenant will cooperate with the University and its exclusive food service provider (the “**Dining Vendor**”) for the development of a dining hall facility in the dining area shown on Exhibit B, to serve as additional capacity and compliment to the University’s meal plan program. The Dining Sublease shall be entered into by and among Landlord, Tenant and the Dining Vendor and shall set forth all of the terms and conditions for the use of the dining area, including requirements for the Dining Vendor to add Tenant as an additional insured on its liability insurance, and for necessary points of coordination, such as waste disposal, controlled entry issues and other items related to the Dining Vendor’s tenancy at the Premises. In the case that Landlord is unable or unwilling to renew the Dining Sublease during the Term of this Lease, the Dining Sublease shall provide for a direct sublease relationship between the Dining Vendor and Tenant for the ongoing operation and maintenance of the dining area. Tenant and Landlord shall coordinate so that the Dining Vendor’s operations do not adversely affect the Gross Revenue of the Premises or create additional liability or duties for Tenant. Any all-you-care-to-eat, or cafeteria style dining shall be operated by the University’s food service provider with the development and revenue sharing terms to be set forth in the Dining Sublease. For other food service retail such as Quick Service Retail or Full or partial service food retail, Tenant will provide the University’s on-campus food service partner a first right of offer for any food service facilities in the Project prior to soliciting outside vendors. Any revenues from such other food service retail shall be Gross Revenues of the Project.

ARTICLE 5

RENT

Section 5.01 Rent Commencement Date. Landlord agrees to abate rent prior to and during the Construction Term. Tenant shall have no liability for rent under this Lease until the Premises opens for occupation of Student Residents (such date being the “**Rent Commencement Date**”).

Section 5.02 Rent.

(a) Base Rent. Beginning on the Rent Commencement Date and continuing throughout the Term of this Lease, Tenant shall pay Landlord base rent in an amount equal to \$ _____ in the first year of operations and thereafter increasing each year by the Consumer Price Index for All Urban Consumers, All Items, West Region (1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor(the “**Base Rent**”).

(b) Percentage Rent. Beginning on the Rent Commencement Date and continuing throughout the Term of this Lease, Tenant shall pay Landlord percentage rent in an amount equal to percent (___%) of the Gross Revenue for each Fiscal Year (the “**Percentage Rent**” and along with the Base Rent, collectively, the “**Rent**”).

(c) Gross Revenue. The “**Gross Revenue**” shall consist of all revenues and other income received from the residents or the operation of the Premises, less bad debt expense all accounted for on a GAAP basis. Gross revenue shall include, but not be limited to, rental income, fees (including application, damage, termination and all other fees charged by either Tenant or the University to Permitted Residents), vending and laundry income, all ancillary services and retail income, and summer and holiday income. In furtherance of the foregoing, Landlord and Tenant acknowledge and agree that revenue and other income collected but not yet recognized as earned by Tenant shall not be included in Gross Revenue until such time that Tenant does recognize such revenue and other income as earned. For example, to the extent that Student Resident Rent is collected in full at the beginning of a semester, but Tenant recognizes such Student Resident Rent as earned on a monthly basis during the semester, such pre-paid Student Resident Rent would be included in Gross Revenue at the time that Tenant recognizes it as earned.

(d) Payment Date. The initial Rent shall be due on the Rent Commencement Date. Thereafter, Rent for the previous month shall be due and payable to Landlord on the twentieth (20th) day of each month of each fiscal year measured July 1 through June 30 (“**Fiscal Year**”).

Section 5.03 Net Income. As used herein for the purpose of calculating the Early Termination Fee and to assess any negative impact to the Project from changes to University Policies, the term “**Net Income**” for each Fiscal Year means the amount by which Gross Revenue exceeds Operating Expenses. Net Income shall not include any development costs or depreciation or amortization of such costs.

Section 5.04 Operating Expenses. “**Operating Expenses**” shall mean the sum of GAAP expenditures associated with the management and operation of the Project (excluding amortization and depreciation but including an aggregate per bed annual balance sheet reserve for capital repairs and replacements. Operating Expenses shall consist of the following expenses: marketing; postage and other on-site office expenses, compensation of on-site personnel; a management fee not to exceed an amount equal to four percent (4%) of Gross Revenue during such Fiscal Year (“**Management Fee**”); student amenities; utilities; data/cable; maintenance and repair of the Premises in excess of any insurance proceeds received for repair or replacement of the Premises; landscaping services ; taxes; costs of insurance; ; Replacement Reserve Allocation and actual capital expenditures in excess of the Replacement Reserve Allocation less any insurance proceeds received for capital improvements or replacements of the Premises; payments to Landlord for Rent; and any other costs directly related to the operation of the Premises.

Section 5.05 Late Payment. If Tenant shall fail to pay the Rent or any other amount due under this Lease, when the same is due and payable, such unpaid amount shall bear interest from the due date thereof to the date of payment at the rate of ten percent (10%) per annum (“**Default Rate**”). In no event shall the default rate be higher than the legal limit. The charges under this

provision shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as a penalty.

Section 5.06 Rent Payments. Tenant shall pay Landlord all Rent due hereunder, without offset or abatement and without previous demand, at the office of the Landlord, or at such other address as the Landlord may designate by notice to Tenant. Rent for any partial Fiscal Years or payment periods shall be prorated. If Landlord collects rent under Permitted Leases on behalf of Tenant, then, in the event that Tenant is in default hereunder for failure to pay Rent or other sums due, after the expiration of any applicable cure period, Landlord shall have the right to offset any amounts due and payable to Landlord by Tenant under this Lease against such Rent or other sums due.

Section 5.07 Net Lease. The Rent payable by Tenant under this Lease shall be net to Landlord. Except as otherwise provided in this Lease or another written contract between Landlord and Tenant, all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises, which may arise or become due during the term of this Lease (the "**Expenses**"), shall be paid by the Tenant and Tenant shall indemnify and save Landlord harmless from and against the Expenses.

Section 5.08 Rent Not to Abate. Tenant's obligation to pay Rent under this Lease shall not be affected by, nor shall the Rent abate or be diminished, reduced, rebated or refunded on account of any want of repair, destruction or damage to the Premises or the Improvements, regardless of the cause or extent of them, or for any inconvenience, discomfort, interruption of business or otherwise arising from the making of alterations, changes, additions or repairs to the Premises or the Improvements, or because of any present or future governmental laws, ordinances, requirements, orders, directives, rules or regulations, or for any other cause or reason.

Section 5.09 Landlord's Right to Audit. Within sixty (60) days of the end of each Fiscal Year, Tenant shall provide Landlord a written statement showing the Gross Revenue for the preceding Fiscal Year containing a certification by an executive officer of the Tenant Parties of the statement's truth, accuracy, and completeness ("**Annual Statement**"). The Landlord shall have the right, from time to time, to examine and make copies of records pertaining to the Annual Statement (a "**Rent Audit**"). Upon request of the Landlord to review such records, Tenant shall promptly provide the Landlord with electronic copies of such records reasonably requested. If the Rent Audit discloses any deficiency in the payment of Rent by Tenant ("**Deficient Amount**"), then Tenant shall promptly pay the Landlord the Deficient Amount together with interest at the Default Rate upon demand. If the Deficient Amount is greater than five percent (5%) of the actual Rent due, then Tenant shall reimburse the Landlord for the cost of the Rent Audit. If the Rent Audit shall disclose any overpayment of Rent, the Landlord shall promptly reimburse Tenant for said overpayment.

ARTICLE 6

MANAGEMENT OF THE PREMISES

The Premises shall be operated and maintained in accordance with the terms of that certain Operating Agreement entered into by and between Landlord and Tenant on even date herewith, as such Operating Agreement may be amended, restated, supplemented, replaced or extended.

ARTICLE 7

LANDLORD OBLIGATIONS

Section 7.01 Generally. Without limiting the generality of the Tenant's obligations to construct, repair, manage and maintain the Premises at Tenant's sole cost and expense as set forth herein and in the Operating Agreement, Landlord has agreed to perform certain obligations and reimburse Tenant for certain expenses specifically set forth below and elsewhere in this Agreement or as may be set forth in the Operating Agreement.

Section 7.02 Improvements to Existing Infrastructure.

Section 7.03 Landlord Repair and Maintenance Obligations. Landlord agrees that it shall perform the following services at its expense, in no case to a lesser degree than Landlord undertakes such services or functions at similar locations on the University's campus:

- (a) provide garbage and recycling removal services for the Premises from centrally located outdoor waste receptacles installed by Tenant;
- (b) maintain that portion of the sanitary sewer located on the Premises that serves the Improvements;

Section 7.04 Tenant's Right to Perform Landlord's Covenants. If Tenant believes Landlord is not fulfilling its obligations with regard to the repair and/or maintenance of the Premises, then, upon reasonable advance notice under the circumstances, Tenant may perform said services and the parties shall resolve any disputes as to whether (a) Landlord has failed to fulfill the foregoing obligations and (b) if in the event that it is determined that Landlord has failed to fulfill such obligations, damages incurred by Tenant as a result of such failure, first by engaging in negotiation under Section 24.02, and if necessary by mediation under Section 24.03.

ARTICLE 8

REPAIRS, MAINTENANCE AND ALTERATIONS

Section 8.01 Repairs and Maintenance. Except for the obligations of Landlord specifically set forth herein, Tenant, at its sole cost and expense, shall keep, manage and maintain all portions of the Premises in a "**Class A Condition**" as defined by _____. Tenant's obligations apply to all interior and exterior areas of the Premises, all structural and non-structural elements, and include, but are not limited to, heating, air conditioning and ventilating systems, plumbing and electrical systems, communications systems and elevators. In addition, Tenant will provide snow and ice removal services for the sidewalks and patios located within the Premises; maintain the landscaping and lawns of the Premises; and maintain and repair the outdoor amenities installed by Tenant on the Premises.

Tenant's obligations to maintain the Premises shall include the obligation to repair, restore and replace elements of the Premises from time to time in order to keep the Premises in a Class A Condition. Tenant shall maintain a schedule outlining expected future repairs, replacements and capital improvements for the Premises and the timeframe in which such matters are expected to be accomplished (the "**Repair, Replacement and Capital Improvement Schedule**"), which shall be reviewed and approved by Landlord. Tenant's obligations under this Article shall apply to all maintenance matters, ordinary and extraordinary, and foreseen and unforeseen. Any repairs performed by Tenant shall be at least equal in quality and class required for the original Work. Tenant shall manage and maintain the Premises as would a prudent owner and shall not commit, or allow any of its employees, tenants, visitors, invitees or other occupants of the Premises to commit, any waste or any nuisance on the Premises, or permit any part of the Premises to be used for any dangerous, obnoxious or offensive trade or business, and shall not permit any damaged structures to remain on the Premises for any unreasonable period of time.

Section 8.02 Alterations, Improvements and Additions. Upon completion of the construction of the Improvements, Tenant shall not make any alterations, improvements or additions to the exterior of the Premises (collectively "**Alterations**") without the prior written consent of Landlord, which consent will not be unreasonably denied, withheld, delayed or conditioned; provided, however, that the prior written consent of Landlord shall not be required for routine repairs, replacements or non-structural alterations that do not change the exterior appearance of the Premises. Tenant's request to Landlord for permission to make Alterations shall be accompanied by reasonably detailed plans and specifications in light of nature of the proposed Alterations involved, estimated costs and the identity of the contractors who shall perform the work. Landlord will promptly respond to Tenant's request and will make good faith efforts to complete its approval process within forty-five (45) days. Any alterations permitted by Landlord shall be at least equal in quality and class to the original Work and as required for the original Work shall be consistent with permitted uses of the Premises as provided in Article 4.

Section 8.03 Capital Improvement and Replacement Schedule. Tenant shall maintain the Capital Improvement and Replacement Schedule, amending as necessary to provide an updated five (5) year outlook that forecasts the funds needed on an annual basis for capital replacement and improvements to the Premises. Tenant will provide the Capital Improvement and Replacement Schedule to Landlord for review and approval on a periodic basis and no less than annually. Each year, Tenant shall include in operating expenses a Replacement Reserve Allocation, which shall be \$200 per bed in the first year of operations of the Premises, escalating by 3% annually thereafter. Upon the expiration or earlier termination of this Lease the Replacement Reserve Allocation Excess, which is the amount by which the cumulative annual Replacement Reserve Allocation exceeds the cumulative actual capital expenditures on the Project, shall be transferred to Landlord for its use to demolish or refurbish the Project.

ARTICLE 9

TAXES AND UTILITY EXPENSES

Section 9.01 Taxes.

(a) Pursuant to applicable Idaho law, the Premises is entitled to certain tax exemptions, credits or abatements as a result of the use of the Premises for dedicated on-campus student housing for the University (the “**Tax Exemptions**”). The parties acknowledge and agree that the Premises is entitled to all benefits that result from the Tax Exemptions, and further acknowledge and agree that the financial feasibility of the Project is dependent upon the availability of the Tax Exemptions. In the event that, at any point during the Term, (i) it is determined that the Premises is not entitled to the Tax Exemptions; or (ii) the University is compelled by legal process to agree to any payments in lieu of Taxes with respect to the Premises in connection with the Tax Exemptions (and the University shall not voluntarily agree to payments in lieu of Taxes with respect to the Premises); or (iii) it is determined that the Tax Exemptions are otherwise unavailable, then the parties will meet to determine the best course of action, with the following options considered in the following order: (A) the parties will explore alternate legal structures for the operation and ownership of the Premises that result in a Tax Exemption; (B) the parties will assess then current market conditions to determine if it is feasible and advisable to increase the student resident rent to offset the adverse impact of additional taxes on the Premises; and if the prior two options are not feasible or advisable, (C) Landlord and Tenant shall adjust the Base Rent in an amount equal to the annual Tax burden resulting from the denial, termination or change in the expected Tax Exemptions (or if an adjustment to Base Rent is not sufficient to meet the expense, then the University will directly reimburse Tenant for such Tax burden); and any unpaid Taxes that are determined to be payable in a final, non-appealable order for periods prior to such determination shall be borne by Landlord and timely paid so as not to result in a lien against the Premises.

(b) Notwithstanding the foregoing, on behalf of Landlord, Tenant shall pay and discharge punctually when due all taxes, if any, any payments in lieu of taxes, assessments, water and sewer rents, rates and charges, vault license fees or rentals, levies, license and permit fees and all other governmental impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, foreseen and unforeseen, which shall be charged, levied, laid, assessed, imposed upon, become due and payable out of or in respect of, or become liens upon the whole or any part of the Premises, together with all interest and penalties, under all present or future laws, ordinances, requirements, orders, directives, rules or regulations or the federal, state, county, and city governments and of all other governmental authorities whatsoever as well as and including all payments in lieu of any of the foregoing (the “**Taxes**”). With the prior written consent of Landlord, in the Landlord’s sole and absolute discretion, Tenant may, at its sole cost and expense, seek a tax abatement, tax credit or other tax exemption that is or may become available for the Premises, other than the Tax Exemptions.

Section 9.02 Time for Payments. Tenant shall be deemed to have complied with the covenants of this Article if the Taxes are paid before any fine, penalty, interest or cost may be added to them. Tenant shall produce and exhibit to Landlord reasonable evidence of payment on Landlord’s request.

Section 9.03 Tenant’s Right to Contest Taxes. With the exception of payment in lieu of taxes or other tax abatement or bond financing related matters, which shall require the prior approval of Landlord, which may be withheld in Landlord’s sole and absolute discretion, Tenant shall have the right to contest or review, in good faith, all Taxes by appropriate legal proceedings,

or in such other manner as may be appropriate; provided that Tenant shall promptly pay all Taxes when due. Tenant shall conduct the proceedings diligently, at its own cost and expense. Landlord shall execute all documents reasonably necessary for the proceedings, at Tenant's sole cost and expense.

Section 9.04 Right to Refund of Taxes. With the exception of the Tax Exemption, any savings, credits, refunds or rebates obtained as a result of any tax abatement or other tax exemption being obtained for the Premises shall belong to Tenant for use at the Premises.

Section 9.05 Utilities. Tenant shall pay and discharge punctually all water and sewer rents, rates and charges and all charges for steam, heat, gas, hot water, electricity, light and power, and any and all other services and utilities furnished to the Premises.

ARTICLE 10

COMPLIANCE WITH APPLICABLE LAWS

Section 10.01 Compliance by Tenant.

(a) Tenant, at its sole cost and expense, shall (i) promptly comply with all present and future laws, ordinances, codes, requirements, orders, directives, rules, regulations and permits of all federal, state, county, city, and town governments, and of all other governmental authorities, agencies, departments, boards and officers, or any other body or bodies (each, a "**Public Authority**") which may exercise similar functions, foreseen and unforeseen, ordinary and extraordinary, applicable to the Premises or any part thereof or to its use, or to the operations or activities of Tenant, including Permitted Tenants, upon the Premises, whether in force at the commencement of the term of this Lease or passed, enacted, directed, issued or amended in the future including, without limitation, Environmental Laws, whether or not such requirements are actually imposed upon Landlord or Tenant, and whether or not compliance shall require structural changes and (ii) comply with the University policies listed on Exhibit F (the "**University Policies**"); provided, however, that Tenant shall not be required to comply with any future amendments to the University Policies, if such future amendment would cause a materially adverse economic impact on Tenant's Net Income unless such policy is necessitated by the State Board of Education or compliance with laws and regulations applicable to the University and the Project ((i) and (ii), collectively, the "**Requirements**"). Tenant shall pay all costs, expenses, liabilities, obligations, losses, damages, fines, penalties, charges, claims and demands, including, without limitation, costs associated with administrative and judicial proceedings, and reasonable fees of architects, engineers, consultants and attorneys, that may in any manner arise from or be imposed resulting from the failure of Tenant to comply with this Article or as are imposed upon Tenant by a Public Authority. Landlord shall reasonably cooperate, without expense to Landlord, with Tenant in complying with the Requirements.

(b) Tenant shall comply with the requirements of all policies of public liability, fire and all other policies of insurance maintained by Tenant with respect to the Premises. Tenant shall promptly take steps to remedy or prevent any violation or attempted violation which is known to Tenant of the provisions of this Section by any subtenant of the Premises, including Permitted Residents.

Section 10.02 Challenge of Validity. Upon prior written notice to Landlord, Tenant shall have the right to contest by an appropriate legal action, case or proceeding (a “**Proceeding**”) diligently conducted in good faith, without cost or expense to Landlord, the validity or application of the Requirements. If compliance with the Requirements may be delayed during the Proceeding without the incurrence of any Lien, charge or liability of any kind against the Premises and without subjecting Tenant or Landlord to any liability, civil or criminal, for failure to comply with them, Tenant may delay compliance with them until the final determination of the Proceeding.

Section 10.03 Survival. The provisions of this Article 10 shall survive the expiration or earlier termination of this Lease for one (1) year, and thereafter Tenant shall have no further liability to Landlord except as otherwise expressly provided for herein.

ARTICLE 11

COVENANT AGAINST LIENS

Section 11.01 Tenant’s Obligations to Discharge. Tenant shall promptly (and in any event within twenty (20) days of the date of filing), (a) furnish a bond satisfactory for the release of any filed mechanic’s, laborer’s, or materialman’s lien, other encumbrance lien or charge upon the Premises, or any part of it (a “**Lien**”) or (b) otherwise obtain a release or discharge any Lien.

Section 11.02 Landlord’s Rights to Discharge. If any Lien shall be filed against the Premises, or any part of it, and Tenant has not discharged it of record or posted a bond satisfactory to Landlord to assure its discharge in accordance with Section 11.01 within twenty (20) days after the date on which the Lien is filed, then Landlord, in addition to any other right or remedy it may have, and without waiving its rights to declare a default, may discharge the Lien of record by bonding or otherwise. Any amounts paid by Landlord in the discharge by bonding of the Lien if Tenant fails to do so as required above, including, but not limited to, penalties, interest, costs, expenses, allowances and reasonable attorney’s fees shall be paid by Tenant to Landlord on demand.

Section 11.03 Tenant’s Indemnification against Liens. Tenant shall indemnify and hold harmless Landlord against any and all damages, losses and expenses (including, but not limited to, penalties, interest, costs, allowances and reasonable attorney’s fees) arising from or incurred as a result of any Lien or claim asserted by any third party.

Section 11.04 No Implied Consent of Landlord. Nothing in this Lease shall be construed as the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any material for any improvement, alteration or repair of the Premises, or any part of it.

Section 11.05 Landlord’s Obligations to Discharge. If, as a result of Landlord’s actions, a Lien is placed against the Land, Landlord shall promptly (and in any event within twenty (20) days of the date of filing), (a) furnish a bond satisfactory for the release of the Lien, or (b) otherwise obtain a release or discharge the Lien.

Section 11.06 Tenant's Rights to Discharge. If, as a result of Landlord's actions, a Lien is placed against the Land, and Landlord has not discharged it of record or posted a bond satisfactory to Tenant to assure its discharge in accordance with Section 11.05 within twenty (20) days after the date on which the Lien is filed, then Tenant, in addition to any other right or remedy it may have, may discharge the Lien of record by bonding or otherwise. Any amounts paid by Tenant in the discharge by bonding of the Lien if Landlord fails to do so as required above, including, but not limited to, penalties, interest, costs, expenses, allowances and reasonable attorney's fees shall be paid by Landlord to Tenant on demand.

ARTICLE 12

ENTRY ON PREMISES BY LANDLORD

Subject to the rights of the Permitted Residents under the terms of the Permitted Leases, Tenant shall permit Landlord and its authorized representatives to have reasonable access to the Premises at all reasonable times for the purposes of (a) inspecting them, or (b) upon five (5) days prior notice to Tenant (except in the case of an emergency, for which no prior written notice is required), making any necessary repairs required under Article 7 of this Lease or performing any other work that may be reasonably necessary because of Tenant's Default of Tenant's obligations hereunder with respect to the making of required repairs. Landlord's right of entry shall not imply any duty on its part to perform any repairs or work and shall not constitute a waiver of any Default of Tenant.

ARTICLE 13

ASSIGNMENT AND SUBLETTING

Section 13.01 Assignment and Subletting.

(a) Except as otherwise set forth in this Article 13, Tenant shall not assign this Lease or, except to Permitted Residents, sublet the whole or any part of the Premises, without the prior written consent of Landlord, which consent may be granted, conditioned or withheld in the Landlord's sole and absolute discretion for any reason or no reason at all, and any such purported assignment or sublease in violation of this Lease shall be null and void and of no effect. An assignment shall include any transfer of this Lease, whether voluntary or involuntary or by operation of law. Notwithstanding the foregoing, Tenant may assign this Lease to another Tenant Party (including affiliate Tenant Parties formed following the Commencement Date or joint venture entities that are controlled by a Tenant Party), so long as Guarantor (or any permitted substitute or replacement guarantor) continues to guarantee the performance of such Tenant Party in the same manner as it guarantees Tenant's obligations hereunder.

(b) The occurrence of a Change in Control of Tenant, Parent or Guarantor shall not be deemed to be an assignment of this Lease; provided that following the Change in Control, Parent or Guarantor meets the financial standards of a Qualified Assignee and assumes all of the obligations of this Lease and any other agreements related to the Premises (a "**Permitted Change in Control**"). A Permitted Change in Control shall not trigger any rights of Landlord to terminate

this Lease. Landlord agrees not to seek equitable relief or take any other action to delay or hinder a Change in Control of Parent.

(c) To the extent permitted by law and subject to Landlord's termination right set forth in Section 13.02, after Substantial Completion of the Improvements and so long as there is no pending Event of Default, Tenant has the right to assign or sublet this Lease, provided all of the following conditions are satisfied (a "**Permitted Assignment**"):

(i) the assignment or sublease is to a Qualified Assignee; and

(ii) the use of the Premises by the Qualified Assignee shall comply with the use restrictions contained in Article 4 of this Lease and with all other terms and conditions of this Lease; and

(iii) a Tenant Event of Default shall not exist under this Lease; and

(iv) the Qualified Assignee, in a document reasonably satisfactory to Landlord and in recordable form, shall agree to faithfully perform and be bound by all of the terms, conditions, covenants, provisions and agreements of this Lease; and

(v) the Qualified Assignee, in a document reasonably satisfactory to Landlord, shall agree not to finance its acquisition of the Improvements and assumption or sublease of this Lease in a manner that would adversely impact the debt capacity or credit rating of the University, without the prior written consent of the University, which consent may be granted or withheld in the University's sole and absolute discretion; and

(vi) any sublease shall provide that it is subject to the terms and conditions of this Lease and may, at Landlord's option after the termination or expiration of this Lease, require the sublessee to attorn to Landlord.

(d) Landlord's consent to a Permitted Assignment shall be given promptly and in any case, within sixty (60) days. Landlord's consent to any assignment or sublease shall not constitute or be deemed its consent, nor constitute a waiver of the requirement of its consent, to any subsequent assignment or sublease.

(e) Tenant shall not assign any of its rights under this Lease separate from any Permitted Assignment.

(f) A Permitted Assignment shall relieve Tenant of any liability arising under this Lease for acts, errors or omissions occurring on or after the effective date of the assignment.

(g) Notwithstanding anything to the contrary contained in this Lease, no Permitted Lease shall be considered an assignment of or a sublease under this Lease requiring Landlord's consent, except as required under Article 4.

(h) For purposes of this Lease, the following terms shall have the following definitions:

(i) **“Change in Control”** shall mean a merger or consolidation of a party, or any entity which controls such party, with or into another person, corporation or other entity, in which the party, or any entity which controls such party, shall not be the surviving entity.

(ii) **“Qualified Assignee”** shall mean a person or entity unaffiliated with the Tenant Parties that, as of the date of the proposed assignment or transfer: (A) has a net worth of at least \$25,000,000 (which condition may be satisfied on a consolidated basis with an affiliate guarantor which guarantees the obligations of such entity) and (B) has at least five (5) years of experience owning, managing and operating student housing facilities comparable to the Premises, or retains a third party management company with such experience pursuant to a management agreement reasonably satisfactory to Landlord; provided that the Landlord shall have the right to approve the entity responsible for the management of the Premises following the assignment, which approval shall be reasonable under the then current circumstances; and (C) is not a Disqualified Assignee. Lessee will provide or cause to be provided to Lessor, not less than sixty (60) days before any proposed assignment, (i) a written request for approval of the proposed assignment, (ii) the name of the proposed assignee, (iii) financial statements and information regarding the proposed assignee and any proposed lease guarantor, all in form satisfactory to Lessor, and (iv) the terms of such proposed assignment.

(iii) **“Disqualified Assignee”** shall mean an proposed assignee if any the principal or officer of the assignee or the assignee: (A) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control (“OFAC”) and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable legal authority (such lists are collectively referred to as the “Lists”); (B) is an individual, corporation, partnership, limited liability company, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity (individually or collectively as the context requires, a “Person”) who has been determined by competent authority to be a Person with whom a U.S. Person is prohibited from transacting business, whether such prohibition arises under U.S. law, regulation, executive orders or any lists published by the United States Department of Commerce, the United States Department of State including any agency or office thereof; (C) is owned or controlled by, or acts for or on behalf of, any Person on the Lists or any other Person who has been determined by competent authority to be a Person with whom a U.S. Person is prohibited from transacting business, whether such prohibition arises under U.S. law, regulation, executive orders or any lists published by the United States Department of Treasury or the United States Department of State including any agency or office thereof; or is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws. For purposes hereof, “U.S. Person” means any United States citizen, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, with a principal place of business within the United States or any of its territories. For purposes hereof, “Anti-Money Laundering Laws” means those laws, rules, regulations, orders and sanctions, state and federal, criminal and civil, that (i) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (ii) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotic dealers or otherwise engaged in activities contrary to the interests of the United States; or

(iii) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions are deemed to include, but not be limited to: the Executive Order Number 13224 on Terrorism Financing (September 23, 2001), the Patriot Act; the Currency and Foreign Transactions Reporting Act (also known as the Bank Secrecy Act, 31), the Trading with the Enemy Act, 50 U.S.C. Appx. Section 1 *et seq.*, the International Emergency Economics Powers Act, 50 U.S.C. Section 1701 *et seq.*, and the sanction regulations promulgated pursuant thereto by OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957, as amended.

An assignee will also be a Disqualified Assignee under the following circumstances: (i) if it is debarred or suspended from doing business with the federal government or any state or local government or has been disbarred or suspended at any time during the five years preceding the assignment; (ii) if it has been convicted of any crime in any jurisdiction in which the possible sentence is greater than three years; (iii) if it has (A) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (B) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceedings, to hold, administer and/or liquidate all or substantially all of its property, or (C) made an assignment for the benefit of creditors.

Section 13.02 Landlord's Right to Terminate Lease Upon Bona Fide Offer.

(a) In the event that Tenant shall receive a Bona Fide Offer at any time during the Term, Tenant shall give Landlord written notice (the "**Bona Fide Offer Notice**") of the terms of the offer, including (i) the name and address of the proposed transferee, (ii) the consideration offered and (iii) all other material terms and conditions of the transfer. For purposes hereof, a "**Bona Fide Offer**" shall mean a written offer from a Qualified Assignee to purchase the Improvements and assume all of the Tenant Parties' rights in and obligations under this Lease in a transaction meeting the requirements of a Permitted Assignment, which Tenant is willing to accept.

(b) Upon receipt of the Bona Fide Offer Notice, Landlord shall have the right (i) to terminate this Lease upon the payment to Tenant of an amount equal to the Bona Fide Offer, or (ii) to permit Tenant to transfer this Lease to the Qualified Assignee pursuant to the Bona Fide Offer. If Landlord wishes to terminate this Lease, then within ninety (90) days of Landlord's receipt of the Bona Fide Offer Notice (the "**Election Period**"), Landlord shall provide Tenant with a binding agreement to exercise its right to terminate this Lease upon payment of the Bona Fide Offer amount.

(c) If Landlord elects to terminate this Lease by delivery of the Election Notice, Landlord shall pay to Tenant an amount equal to the Bona Fide Offer. Landlord's termination of this Lease shall occur no later than one hundred eighty (180) days after Landlord's receipt of the Bona Fide Offer Notice (such 120-day period, the "**Bona Fide Offer Termination Period**").

(d) If Landlord (i) provides written notice to Tenant that it does not desire to terminate this Lease or fails to exercise its right to terminate this Lease during the Election Period;

(ii) or, having properly indicated a desire to terminate this Lease, thereafter fails to terminate this Lease during the Bona Fide Offer Termination Period, Tenant may transfer this Lease to the Qualified Assignee on the terms stated in the Bona Fide Offer free from the termination right set forth in this Section 13.02; provided, however, that if such transaction is not consummated within one (1) year after the expiration of the Election Period or the Bona Fide Offer Termination Period, as applicable, Tenant's right to transfer pursuant to such Bona Fide Offer shall expire, and the right to terminate this Lease must again be offered to Landlord pursuant to this Section 13.02.

(e) Tenant covenants that it shall accept no Bona Fide Offer or convey any of its rights in or obligations under this Lease until it has complied with the terms of this Section 13.02. Any conveyance of Tenant's rights in and obligations under this Lease made in the absence of full satisfaction of this Section 13.02 shall be null and void and of no effect. Landlord may enforce this Section 13.02, without limitation, by injunction, specific performance or other equitable relief.

(f) Landlord's election not to exercise its right to terminate this Lease shall not prejudice Landlord's rights hereunder as to any further Bona Fide Offer. The terms and conditions contained in this Section 13.02 shall be binding upon the successors and assigns of Tenant.

(g) In the event such transaction is not fully consummated within the time provided for in such Bona Fide Offer, or in the event that the terms of such Bona Fide Offer are modified, then Landlord's right to terminate this Lease shall remain in full force and effect, and Tenant shall be obligated to submit to Landlord any such modified Bona Fide Offer or any subsequent Bona Fide Offer, in accordance with the provisions of subsection (a) of this Section 13.02.

ARTICLE 14

HOLDING OVER

In the event Tenant shall remain in occupation of the Premises after the expiration or earlier termination of this Lease, and in addition to having the right to remove the Tenant in any manner permitted by law, and in addition to all other rights Landlord may have in law, in equity, and under this Lease, Tenant shall be liable to Landlord for all Rent during any period of holdover in the amount equal to one hundred ten percent (110%) times the Rent payable immediately prior to such expiration or termination, and the tenancy created by acceptance of the rent and such holding over shall be that of a tenancy from month to month only.

ARTICLE 15

SURRENDER

Upon the expiration or earlier termination of the term of this Lease, Tenant shall, subject to the rights of Permitted Residents under Permitted Leases, quit and peacefully surrender and deliver to Landlord the possession and use of the Premises, without delay, in good order, condition and repair, except for reasonable wear and tear and free and clear of all liens, encumbrances and charges, and all rights of Tenant under this Lease and in the Improvements shall terminate and

Tenant shall convey its fee interest in the Improvements to Landlord by deed pursuant to the laws of the State of Idaho. Tenant shall not remove any Personal Property, or any additions to or replacements thereof made during the Term of this Lease, and shall only remove its proprietary or confidential information and documents. Notwithstanding the termination of the Lease, Tenant shall remain liable to Landlord for any loss or damage suffered by the Landlord because of any Default of Tenant. Upon surrender, Tenant shall assign to Landlord or Landlord's designee all Permitted Leases, subleases and other agreements and rights relating to the operation or use of the Premises, or Tenant's interest in them, as Landlord may request. The provisions of this Article shall survive for one (1) year following the expiration or earlier termination of this Lease. Tenant shall cooperate with Landlord to provide any documentation reasonably requested by Landlord for surrender of the Premises to ensure that Landlord has good and lawful title to the Premises following termination of the Lease.

ARTICLE 16

SIGNS; NAMING RIGHTS; ADDITIONAL HOUSING

Section 16.01 Signs. Tenant shall not install or replace, nor permit the installation or replacement by others, of any signs or advertising matter visible from the exterior of the Premises without the prior written consent of Landlord, which consent will not be unreasonably denied, withheld, delayed or conditioned, so long as such signs conform to the University's design standards for similar signs on its campus and with the University's regulations on use of the University name and marks. Tenant shall comply with all applicable requirements of governmental and Landlord authorities and policies having jurisdiction and shall obtain all necessary governmental approvals prior to the installation or replacement of any sign or other advertising matter permitted by Landlord.

Section 16.02 Naming Rights. Landlord shall retain all naming rights and Tenant shall cooperate with Landlord in the naming of any portion of the Premises, with Tenant being permitted to have a representative serve as an ad hoc member of the naming committee. All money related to the naming rights shall remain the Landlord's. The naming of all Improvements shall comply with Landlord's naming rights policies. Any costs related to a change in the name of the Premises after Substantial Completion shall be paid by Landlord.

Section 16.03 Additional University On-Campus Housing. Conditioned upon Tenant meeting all of its contractual obligations with regard to the Project, if the University desires to expand the Project by three hundred (300) beds, the University shall, to the extent permitted by applicable state laws and University Purchasing Policy, offer a right of first offer to Tenant for such expansion with the goal of incorporating the additional 300 beds into this Lease and the Project Operating Agreement. The University agrees that for a period of fifteen (15) years from the first date that the Project is occupied by Student Residents, any increase in the total number of undergraduate beds on the University's campus (other than the contemplated 300 bed increase described above) will be undertaken in a commercially reasonable manner, which will include the University engaging and following the recommendations of a qualified third party to conduct an analysis of the need for additional on-campus undergraduate student housing and a determination that such additional housing will not materially adversely impact the Gross Revenue of the Project. In the case that such additional housing is constructed and thereafter the Project suffers an adverse

material impact as a result of such increase in the University's on-campus housing stock, and not as a result of Project operational or maintenance issues, then the Base Rent shall be adjusted in an equitable manner to eliminate such adverse impact. The University shall have the right, but not the obligation to engage in negotiations with EdR and permit EdR to make a first offer for such additional development prior to discussions with third parties.

ARTICLE 17

INDEMNITY

Section 17.01 Tenant's Indemnification of Landlord.

(a) Tenant shall defend with competent counsel, indemnify and hold harmless the University, the State of Idaho, and the State Board of Education, and its trustees, officers, agents, employees and affiliated and support entities from and against any and all liabilities, obligations, losses, damages, fines, penalties, claims, demands, costs, charges and expenses, including, without limitation, reasonable fees of architects, engineers, consultants and attorneys and costs associated with administrative and judicial proceedings incurred by Landlord relating to Tenant's obligations under this Lease, which may be imposed upon, incurred by or asserted against Landlord in connection with any of the following (collectively, the "Claims"):

(i) Any work done in, on or about the Premises or the Construction Easement Areas;

(ii) Any use, non-use, possession, occupation, condition, operation, maintenance or management of the Premises, the Construction Easement Areas or any part thereof, except where such claims are a result of the acts or omissions of Landlord or its agents, concessionaires, contractors, servants or employees;

(iii) Any act or omission of Tenant or any of its agents, concessionaires, contractors, servants, employees, or invitees excluding the acts or omissions of Landlord or its agents, concessionaires, contractors, servants or employees;

(iv) Any accident, injury or death to any person or damage to any property occurring in, on or about the Premises or the Construction Easement Areas, except resulting from the acts or omissions of Landlord or its agents, concessionaires, contractors, servants or employees; or

(v) Any failure by Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations in this Lease required by the provisions of this Lease to be complied with or performed by Tenant.

(b) In addition to, and without limiting the generality of, the foregoing provisions of this Article, Tenant shall indemnify, and hold harmless the University, the State of Idaho, and the State Board of Education, and its trustees, officers, agents, employees and affiliated and support entities, from and against all claims which may be imposed upon, incurred by or asserted against Landlord, arising out of (i) the use, generation, storage, Release, or disposal of

Hazardous Materials (defined below) on or about the Premises or the Construction Easement Areas by or on behalf of Tenant during Tenant's use of the Premises or the Construction Easement Areas including, without limitation, the cost of any required or necessary decommissioning, repair, cleanup, or remediation and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following the termination of this Lease, (ii) any Release or threatened Release during Tenant's use of the Premises or the Construction Easement Areas of such Hazardous Materials at, on, to, or into the Premises or the Construction Easement Areas, including groundwater, or from the Premises or the Construction Easement Areas on, to, or into any adjoining property or other property, including groundwater, (iii) the failure by Tenant, any subtenant or any person claiming under Tenant to comply with any of the Requirements of this Lease, including without limitation all Environmental Laws, or the common law; or (iv) any and all damage to natural resources or real property and/or harm or injury to any person resulting or alleged to have resulted from (A) any Release or threatened release during Tenant's use of the Premises or the Construction Easement Areas of such Hazardous Materials in violation or breach of this Lease or any Environmental Law, and/or (B) such failure during Tenant's use of the Premises or the Construction Easement Areas to comply with, or otherwise arising under, any of the Requirements, including without limitation all Environmental Laws, or the common law.

(c) For purposes of this Lease, the following terms shall have the following definitions:

(i) **“Environmental Law”** means any applicable present or future federal, state or local law, statute, rule, regulation or ordinance relating to the regulation, pollution, preservation or protection of human health, safety, the environment, or natural resources or to emissions, discharges, Releases or threatened Releases of pollutants, contaminants, Hazardous Materials or wastes into the environment (including ambient air, soil surface water, ground water, wetlands, land or subsurface strata).

(ii) **“Hazardous Materials”** means and includes any (a) "hazardous substances", "pollutants" or "contaminants" (as defined in the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.* ("CERCLA"), or the regulations pursuant to CERCLA), including any element, compound, mixture, solution, or substance which is or may be designated pursuant to Section 102 of CERCLA; (b) all substances which are or may be designated pursuant to the Federal Water Pollution Control Act, 33 U.S.C. §1251 *et seq.* ("FWPCA"); (c) any hazardous waste having the characteristics which are identified under or listed pursuant to Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* ("RCRA") or having such characteristics which shall subsequently be considered under RCRA to constitute a hazardous waste; (d) any substance containing petroleum, as that term is defined in RCRA; (e) any toxic pollutant which is or may be listed under FWPCA; (f) any hazardous air pollutant which is or may be listed under the Clean Air Act, 42 U.S.C. §7401 *et seq.*; (g) any imminently hazardous chemical substance or mixture with respect to which action has been or may be taken pursuant to the Toxic Substances Control Act, 15 U.S.C § 2601 *et seq.*; (h) any substance or mixture subject to regulation under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 *et seq.*, (i) waste oil and other petroleum products; (j) any asbestos, urea formaldehyde, or polychlorinated biphenyls, or material which contains one or more of such substances; or (k) any other materials, chemicals, substances,

products, or wastes which are now or hereafter either (i) deemed by any governmental authority with appropriate jurisdiction over Tenant to be, under any applicable Environmental Law, contaminants or pollutants, or hazardous, toxic, radioactive, ignitable, reactive, corrosive, or otherwise harmful to the environment or (ii) otherwise regulated pursuant to any applicable Environmental Law.

(iii) **“Release”** means any release, issuance, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any property, including the movement of Hazardous Materials through the air, soil, surface water, ground water or property other than as specifically authorized by and in compliance with all Environmental Laws.

(d) If any action or proceeding is brought against Landlord because of any one or more of the claims described above in this Section 17.01, Tenant, at its sole cost and expense, upon written notice from Landlord, shall defend that action or proceeding by competent counsel reasonably acceptable to Landlord by Landlord in writing.

Section 17.02 Landlord’s Remediation Obligations. Except as to the presence of Hazardous Materials actually discovered by Tenant in the development and construction of the Improvements and provided for in the Plans, if Hazardous Materials are discovered on the Land during the Term of this Lease, and such Hazardous Materials are shown to have been present prior to the commencement of this Lease or such Hazardous Materials are the result of a Release caused by Landlord, Landlord will at its own expense conduct any actions necessary to remediate the Hazardous Materials on the Land to a concentration level approved by the relevant governmental authority.

Section 17.03 Survival. The provisions of this Article shall survive the expiration or earlier termination of this Lease with respect to events, acts or omissions during Tenant’s Use Period.

ARTICLE 18

INSURANCE

Section 18.01 Property Insurance.

(a) During the Term, Tenant shall procure and maintain physical damage insurance covering the Premises through the policies purchased by Tenant as an Operating Expense, in an amount equal to at least one hundred percent (100%) of the replacement cost of the Premises. Such insurance shall contain broad form coverage as may be customary for like properties in the vicinity from time to time during the term of this Lease. Tenant expressly acknowledges and agrees that the replacement value must include all changes or additions necessary to meet then current building codes and applicable laws, including but not limited to Environmental Laws.

(b) At the request of Landlord, and at the sole cost and expense of Tenant as an Operating Expense, the replacement value of the Improvements shall be determined from time to

time, but not more frequently than once every five (5) years, by an insurance appraiser mutually acceptable to Landlord and Tenant. Tenant shall promptly notify Landlord in writing of such determination.

(c) Tenant hereby waives any right of recovery from Landlord, the State of Idaho, the Idaho State Board of Education, its officers, and employees (collectively, the “**Landlord Parties**”) and releases and discharges Landlord Parties from all claims, damages, losses or demands whatsoever which Tenant may have or acquire arising out of damage to or destruction of the Premises or Tenant’s business caused by fire or other perils unless such loss or damage shall have been caused by the negligence or willful misconduct of the Landlord Parties.

(d) Tenant shall have a waiver of subrogation clause endorsed to and made a part of its property insurance policy or policies.

(e) The insurance policies required by this Sections 18.01 shall name Landlord as an additional insured.

(f) Tenant shall be responsible from dollar one for any deductible amount for which coverage is not available under the insurance maintained pursuant this Section 18.01. Tenant shall be permitted to increase or decrease such deductible amount from time to time on a commercially reasonable basis; provided that Tenant shall provide Landlord at least thirty (30) days prior written notice of any change in the deductible amount payable by Tenant.

Section 18.02 Other Insurance. Tenant, at its sole cost and expense, shall procure and maintain during the term of this Lease, the following policies of insurance:

(a) Worker’s Compensation and Employers Liability as required by state law;

(b) Disability Benefits as required by law;

(c) Customary business interruption insurance for continuing expenses including Rent described under Article 6;

(d) Commercial General Liability written on an occurrence basis with limits of \$1,000,000 per occurrence and a \$3,000,000 aggregate including, but not limited to, coverage for bodily injury, personal injury, property damage, ongoing and completed operations, products and contractual liability referring to this Lease;

(e) Automobile Liability with a \$1,000,000 combined single limit for bodily injury or property damage covering vehicles owned, non-owned, hired or otherwise used or furnished for the use of the Tenant, its associates, employees, representatives, volunteers or agents;

(f) An Umbrella follow form liability insurance policy or policies that shall increase to \$50,000,000 the limits of coverage provided by the insurance required by subsections (c) and (d) of this Section 18.02; and

(g) Professional Liability / Errors and Omissions insurance written on an occurrence basis with limits of \$1,000,000 per occurrence.

Section 18.03 Responsibility of Tenant During Construction. Prior to commencement of the construction of the Premises, Tenant at its own expense shall obtain, furnish to Landlord, or cause its contractors to obtain and furnish to Landlord, and maintain through the full completion of construction of the Improvements in accordance with all provisions of this Lease, the following policies of insurance:

(a) Each of the policies of insurance required by subsection (a) through (e) of Section 18.02;

(b) Architects and engineers professional liability insurance in an amount of at least \$2,000,000 covering errors and omissions, bodily injury and property damage (including contractual liability coverage with all coverage retroactive to the earlier of the date of this Lease or the commencement of professional services in relation to the Premises or the Construction Easement Areas). Architect/Engineer shall maintain this coverage for a period of three years after the date of final payment by Tenant to each architect, engineer and contractor relating to the construction of the Improvements under this Lease. This Professional Liability Insurance may be written on a claims made basis or any other basis as is expressly identified to Tenant by the University in writing. During the Term of this Lease, and annually for three (3) years after the final payment by Tenant to each architect, engineer and contractor relating to the construction of the Improvements, each architect, engineer and contractor retained by Tenant, shall provide a certificate demonstrating that this insurance is being currently maintained, including, but not limited to, the policy's retroactive date.

(c) "All Risk" builders risk insurance for fire, flood, earthquake, terrorism, testing of mechanical or electrical devices and extended coverages on all the Premises and the Construction Easement Areas. The policy shall include Tenant, its contractors and subcontractors as named insureds and Landlord, as its interest may appear. The amount of insurance shall be 100% of full replacement cost. The policy shall contain a Consent of Occupancy endorsement, a waiver of subrogation clause in the form required by Section 18.01, and coverage for loss of income and business interruption.

Section 18.04 Evidence of Insurance – All Insurance Coverages. All insurance coverages required by this Article shall be obtained by valid and enforceable policies, in form reasonably acceptable to Landlord, issued by insurers of recognized responsibility and licensed to do business in the state in which the Premises is located. Upon the execution of this Lease, and thereafter upon Landlord's request and not less than twenty (20) days prior to the expiration dates of the policies furnished by Tenant, certificates with respect to Tenant's commercial general liability, umbrella liability, professional liability and property insurance policies and, during the period required by Section 18.04, of Tenant's builders risk insurance policy, and certificates of insurance for all other insurance coverages required by this Article, shall be delivered by Tenant to Landlord, with evidence reasonably satisfactory to Landlord of the payment of the full premiums on the policies.

Section 18.05 Minimal Requirements – Primary Insurance.

(a) The insurance coverages and limits required of Tenant by this Article shall be the minimum requirements of Tenant under this Lease and shall in no manner limit Tenant's liability to Landlord under this Lease. All policies of insurance described in Article 18 shall

indicate any deductibles or self-insured retentions (SIR's) of no more than \$25,000 per occurrence, as may be adjusted with reasonable approval of Landlord.

(b) The insurance policies required by Sections 18.02(c),(d) and (e) and 18.03(b) and (c) shall name Landlord as an additional insured with respect to the obligations, indemnifications and liabilities of Tenant under this Lease. Acceptable additional insurance policy endorsements are as follows: ISO Form Additional Insured Endorsement CG 20 10 11 85, or the carrier's manuscript equivalent acceptable to the Landlord, that includes completed operations, naming Landlord as an additional insured with respect to Landlord's project name. The policies of insurance described in the preceding sentence shall be primary and non-contributory of any insurance carried by Landlord, and Tenant shall furnish to Landlord the written consent of the insurer that the policies are primary and non-contributory.

Section 18.06 Notice of Cancellation. The policies and certificates evidencing the policies of insurance shall provide for prior written notice according to the terms of the policy to Landlord of any cancellation, non-renewal, reduction in amount or material change in insurance policy coverage.

Section 18.07 Quality of Insurance. All insurance required to be carried by Tenant by this Article 18 shall be issued by a company rated by A.M. Best with a minimum Class "IX" as to financial rating and "A" (Excellent) as to policyholder rating; provided that if such rating system ceases to be published or is converted to a different standard or otherwise revised, the required rating for the insurance carried by Tenant shall be adjusted to the equivalent rating under the revised rating system or, in no equivalent rating exists, to a standard agreed upon by Landlord and Tenant.

Section 18.08 Disbursement of Proceeds. All insurance policies required herein shall provide that any loss shall be adjusted and the proceeds paid as provided in this Lease.

Section 18.09 Deletion of Co-Insurance Requirements. Except for any insurance policies maintained pursuant to Section 18.01, any co-insurance requirements of any policy of insurance shall be deleted.

Section 18.10 Insurance Escalation Discussions. Promptly after the fifth (5th) anniversary of the Rent Commencement Date, and thereafter promptly after each subsequent fifth (5th) anniversary of the Rent Commencement Date, representatives of Landlord and Tenant shall confer with respect to the insurance coverages required to be maintained by Landlord and Tenant under this Lease and as to whether it is then commercially reasonable to increase such required insurance coverages.

ARTICLE 19

EMINENT DOMAIN

Section 19.01 Termination of Lease. If all or substantially all of the Premises shall be taken for any public or quasi-public use under any statute, by right of eminent domain or by transfer or purchase in lieu thereof (the "**Condemnation Proceedings**"), this Lease shall automatically

terminate on the date title passes to or possession is taken by the taking authority, whichever occurs first. For purposes of this Article “substantially all” of the Premises shall be deemed taken if the portions not taken shall be insufficient for the continued operation by Tenant of a facility for the purposes described in Article 4.

Section 19.02 Distribution of Condemnation Proceeds. To the extent permitted by law, in the event of a taking in a Condemnation Proceeding which results in the termination of this Lease pursuant to Section 19.01, Landlord and Tenant shall cooperate in the prosecution of the Condemnation Proceeding and shall request the court or board having jurisdiction of the Condemnation Proceedings to determine the reversion value of the Land and the Tenant’s leasehold estate and the Improvements separately. The aggregate net award (the “**Net Award**”) for the taking of the of the Premises and Tenant’s rights under this Lease, after deducting all expenses and costs, including attorney’s fees, shall be payable on a pro rata basis to the extent of the funds available:

(a) To Landlord for the value of its interest in the Land so taken, subject to the encumbrances of this Lease; and

(b) To Tenant for the value of its leasehold interest and interest in the Improvements and this Lease so taken.

Section 19.03 Partial Taking. If less than substantially all of the Premises is taken (a “**Partial Taking**”), the term of this Lease shall continue, Rent shall be equitably abated and reduced in light of the portion of the Premises taken under such Partial Taking as provided in Section 6.02(a), and Tenant promptly shall, at its own cost and expense, restore the Premises to as near like their condition prior to the Partial Taking as is reasonably practicable. The net award upon such a partial taking shall be paid to Landlord and Tenant in the manner and priority provided in Section 19.02 above. This Lease shall automatically terminate for the portion of the Premises taken by a Partial Taking.

Section 19.04 Landlord’s Obligation to Pay Early Termination Fee. A taking under a Condemnation Proceeding or a Partial Taking shall not trigger Landlord’s obligation to pay the Early Termination Fee unless such taking inures solely to the benefit of the University.

ARTICLE 20

LANDLORD’S RIGHT TO PERFORM TENANT’S COVENANTS

Section 20.01 Performance of Covenants. If Tenant shall fail to perform any of its obligations under this Lease, Landlord may, at its option, after the expiration of any grace or cure period available to Tenant with respect to such failure and the giving of thirty (30) days’ notice to Tenant (except where otherwise stated herein), or with such notice as is reasonable in case of an emergency, perform any of such obligations.

Section 20.02 Reimbursement of Costs and Expenses. Any moneys paid and all costs and expenses incurred by Landlord, including reasonable attorneys’ fees in the performance of

Tenant's obligations under this Lease, together with interest on such moneys at the Default Rate until paid shall be paid by Tenant to Landlord on demand.

Section 20.03 No Waiver. Landlord's exercise of its rights under this Article shall not constitute a waiver of any other rights or remedies Landlord may have because of Tenant's Default.

ARTICLE 21

MORTGAGES

Section 21.01 Restriction on Mortgages. Except as provided in Section 21.02 below, Tenant shall not: (i) engage in any financing or other transaction creating any mortgage or security interest upon the Premises; (ii) place or suffer to be placed any lien or other encumbrance upon the Premises; (iii) suffer any levy or attachment to be made on the Premises; or (iv) pledge, mortgage, assign, encumber, or otherwise grant a security interest in the Premises, or the rents, issues, profits or other income of the Premises, including, without limitation, any payments pursuant to, and the right to receive payment under, the Permitted Leases.

Section 21.02 Permitted Mortgages. Upon the approval of the Landlord, which approval shall be at the sole discretion of the Landlord, Tenant may encumber the Improvements (but not the Land) and/or the Gross Revenue by mortgage, deed of trust or security agreement to secure one or more loans (in each case, a "**Mortgage**") with an Approved Mortgagee. For purposes of this Lease an "**Approved Mortgagee**" shall mean (i) a major U.S. commercial bank, a trust company or an insurance company or the U.S. branch of a foreign bank, trust company or insurance company with a Credit Rating of at least "BBB+" by S&P or "A3" by Moody's, which is not a Disqualified Mortgagee. "**Credit Rating**" means, with respect to any Person, the rating then assigned to such Person's unsecured, senior long-term debt obligations (not supported by third party credit enhancements), or if such Person does not have a rating for such senior unsecured long-term debt, the rating then-assigned to such Person as an issuer, corporate or similar rating. A proposed mortgagee shall be disqualified and become a Disqualified Mortgagee if:

(a) Any principal or officer of the assignee or the proposed mortgagee: (A) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control ("OFAC") and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable legal authority (such lists are collectively referred to as the "Lists"); (B) is an individual, corporation, partnership, limited liability company, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity (individually or collectively as the context requires, a "Person") who has been determined by competent authority to be a Person with whom a U.S. Person is prohibited from transacting business, whether such prohibition arises under U.S. law, regulation, executive orders or any lists published by the United States Department of Commerce, the United States Department of State including any agency or office thereof; (C) is owned or controlled by, or acts for or on behalf of, any Person on the Lists or any other Person who has been determined by competent authority to be a Person with whom a U.S. Person is prohibited from transacting business, whether such prohibition arises under U.S. law, regulation, executive orders or any lists published by the United States Department of Treasury or the United States Department of State including any agency or office thereof; or is under investigation by any

governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws. For purposes hereof, "U.S. Person" means any United States citizen, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, with a principal place of business within the United States or any of its territories. For purposes hereof, "Anti-Money Laundering Laws" means those laws, rules, regulations, orders and sanctions, state and federal, criminal and civil, that (i) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (ii) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotic dealers or otherwise engaged in activities contrary to the interests of the United States; or (iii) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions are deemed to include, but not be limited to: the Executive Order Number 13224 on Terrorism Financing (September 23, 2001), the Patriot Act; the Currency and Foreign Transactions Reporting Act (also known as the Bank Secrecy Act, 31), the Trading with the Enemy Act, 50 U.S.C. Appx. Section 1 *et seq.*, the International Emergency Economics Powers Act, 50 U.S.C. Section 1701 *et seq.*, and the sanction regulations promulgated pursuant thereto by OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957, as amended.

(b) if such proposed mortgagee is debarred or suspended from doing business with the federal government or any state or local government or has been disbarred or suspended at any time during the five years preceding the assignment;

(c) if such proposed mortgagee or its chief financial officer has been convicted of any crime in any jurisdiction in which the possible sentence is greater than three years

(d) if such proposed mortgagee has (A) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (B) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceedings, to hold, administer and/or liquidate all or substantially all of its property, or (C) made an assignment for the benefit of creditors.

Section 21.03 Estoppel Certificate. The Landlord agrees to execute an estoppel certificate and any other similar documentation as reasonably may be required by an Approved Mortgagee to evidence the Landlord's consent to such Mortgage. Notwithstanding any foreclosure, Tenant shall remain liable for the performance of all the terms, covenants, and conditions of the Lease that by the terms thereof are to be carried out and performed by Tenant.

Section 21.04 Unencumbered Fee. No Mortgage shall extend to or affect the fee, the reversionary interest, or the estate of the Landlord in the Premises. No Mortgage shall be binding upon the Premises until a copy thereof has been delivered to the Landlord.

Section 21.05 Future Landlord Encumbrances. Landlord acknowledges and agrees that any future mortgage, pledge or encumbrance of Landlord's interest in the Land shall be subject and subordinate to Tenant's rights in this Lease.

Section 21.06 Foreclosure. If an Approved Mortgagee or an Approved Mortgagee Affiliate (as defined below) acquires, by deed-in-lieu, at a foreclosure of its mortgage or deed of trust, or otherwise, Tenant's interest in the Premises this Lease shall continue in full force and effect provided that such Approved Mortgagee or Approved Mortgagee Affiliate provides written notice to the Landlord within five (5) days of such acquisition. The acquisition by anyone other than an Approved Mortgagee or an Approved Mortgagee Affiliate of Tenant's interest in the Premises shall require the prior written approval of the Landlord. No agent or nominee shall be appointed to operate and manage any portion of the Premises without obtaining the prior written approval of the Landlord. Such approval shall be withheld or granted under the terms and conditions described in this Lease. Notwithstanding anything to the contrary contained in this Article 21, the Landlord may withhold approval of any purchaser (other than the Approved Mortgagee or an Approved Mortgagee Affiliate) of Tenant's interest in the Premises if the Landlord determines in its sole but reasonable discretion that such purchaser's acquisition would in any material way impair the operations of the Premises. As used in this Article 21, "**Approved Mortgagee Affiliate**" means a corporation, limited liability company, or other entity that Controls, is owned and Controlled by, or is under common ownership and Control with, an Approved Mortgagee.

Section 21.07 Rights of Approved Mortgagees.

(a) For so long as a Mortgage with an Approved Mortgagee shall remain unsatisfied of record or until written notice of satisfaction of such Mortgage is given by the Approved Mortgagee to the Landlord, the provisions of this Section 21.06 shall apply to each such Approved Mortgagee. In the event of any assignment of a Mortgage or in the event of a change of address of an Approved Mortgagee or of an assignee of such Approved Mortgagee, written notice of such new name and/or address shall be promptly provided to the Landlord.

(b) No termination, cancellation, rejection, surrender, amendment or modification (other than by expiration of the Term or early termination in accordance with this Lease) of any Lease or release of the Concessionaire thereunder shall be effective as to any Approved Mortgagee unless consented to in writing by such Approved Mortgagee. Without limiting the generality of the foregoing, no rejection of any Lease by Tenant or by a trustee in bankruptcy for Tenant shall be effective as to any Approved Mortgagee unless consented to in writing by such Approved Mortgagee.

(c) The Landlord shall, on serving Tenant with any notice of any default under this Lease, simultaneously serve a copy of such notice upon any Approved Mortgagee. No such notice by the Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been so provided to any Approved Mortgagee in the manner specified herein. From and after the date such notice has been given to an Approved Mortgagee, such Approved Mortgagee shall have the same period, after its receipt of such notice, for remedying any default specified in such notice or causing the same to be remedied as is given to Tenant after the giving of such notice to Tenant to remedy, commence remedying or cause to be remedied the defaults specified in any such notice, but such Approved Mortgagee shall in no manner be obligated to do so. The Landlord shall accept such cure by or at the instigation of the Approved Mortgagee as if the same had been performed by Tenant. The Tenant hereby authorizes any Approved Mortgagee to take any such action as such Approved Mortgagee deems necessary to cure any such default

and does hereby authorize entry upon the Premises by such Approved Mortgagee for the purpose of curing such defaults.

Section 21.08 Approved Mortgagee Rights upon Termination.

(a) In the event that the Landlord shall elect to terminate this Lease by reason of any default of Tenant under Article 25, such Approved Mortgagee shall have the right, which right shall be exercised, if at all, within thirty (30) days after such Approved Mortgagee receives notice of the Landlord's election to terminate such Lease, to postpone and extend the specified date for the termination of such Lease as fixed by the Landlord in its notice of termination for a period of not more than six (6) months, provided that such Approved Mortgagee shall, during such six (6) month period, (a) pay or cause to be paid any Rent and other payments and charges as the same become due and perform all of Tenant's other obligations under this Lease, excepting (i) obligations of Tenant to satisfy or otherwise discharge any lien, charge or encumbrance against Tenant's interest in this Lease provided that such lien, charge or encumbrance is junior in priority to the lien of the mortgage held by such Approved Mortgagee and does not affect the Landlord's fee simple interest in the Premises, and (ii) past non-monetary obligations then in default and not reasonably susceptible of being cured by such Approved Mortgagee, and (b) if not enjoined or stayed, take steps to acquire or sell (but only to a Qualified Assignee) Tenant's interest in such Lease by foreclosure of the Mortgage or other appropriate means and prosecute the same to completion with due diligence.

(b) If at the end of such six (6) month period such Approved Mortgagee is complying with the immediately preceding paragraph and such Approved Mortgagee is prohibited by any process or injunction issued by any court of competent jurisdiction or by reason of any action in any court of competent jurisdiction from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, such Lease shall not then terminate, and the time for completion by such Approved Mortgagee of its proceedings shall continue so long as such Approved Mortgagee is enjoined or stayed and thereafter for so long as such Approved Mortgagee proceeds in good faith and with due diligence to complete steps to acquire or sell (but only to a Qualified Assignee) Tenant's interest in this Lease by foreclosure of the Mortgage or by other appropriate means. Nothing in this paragraph, however, shall be construed to extend this Lease beyond the original Term or to require an Approved Mortgagee to continue foreclosure proceedings after a default has been cured. In the event that such default shall be cured and the Approved Mortgagee shall discontinue such foreclosure proceedings, this Agreement and such Lease shall continue in full force and effect as if Tenant had not defaulted.

(c) In the event that an Approved Mortgagee complies with this Section 21.07 and such Approved Mortgagee acquires Tenant's right title and interest in any Lease by foreclosure or otherwise, then, upon the acquisition of Tenant's right, title and interest in this Lease by such Approved Mortgagee or an Approved Mortgagee Affiliate, or any other purchaser or assignee at a foreclosure sale or otherwise (but only if such other purchaser or assignee is a Qualified Assignee), this Agreement and such Lease shall continue in full force and effect as if Tenant had not defaulted.

(d) While the Landlord may from time to time approve more than one mortgagee, the Landlord will not approve more than one such mortgagee to be the "Approved Mortgagee" to exercise the rights of an Approved Mortgagee under this Article 21.

ARTICLE 22

DAMAGE OR DESTRUCTION

Section 22.01 Restoration of Improvements. If the Premises or any part thereof shall be damaged or destroyed by fire or otherwise, Tenant shall promptly (and in any event no later than five (5) days following the event causing the damage or destruction) notify Landlord, and, to the extent of the insurance proceeds available for such purpose (with the funds derived from the insurance acquired pursuant to Article 18 made available for such purpose), restore, repair, replace, or rebuild the Improvements and provide substitute housing for the Permitted Residents. The restoration shall be at least equal in quality and class to the original Work, shall be performed pursuant to a design, plans and specifications each approved by Landlord, which approval the Landlord will not unreasonably deny, delay or condition, and in accordance with all provisions applicable to the Work and all other provisions of this Lease. The restoration shall be commenced within ninety (90) days from the date of the damage or destruction; provided, however, that Landlord shall grant such extensions of time for the adjustment of insurance and the preparation of the plans and specifications as reasonably may be required. The architect or engineer in charge of the restoration shall be selected by Tenant and approved in writing by Landlord. Tenant shall diligently complete the restoration. The University will cooperate with Tenant to house any tenants displaced during such restoration in existing University housing to the extent available.

Section 22.02 No Right to Surrender; No Relief from Rent Obligations. No destruction or damage to the Premises or any part thereof shall permit Tenant to surrender this Lease or shall relieve Tenant from its obligation to pay Rent or from any of its other obligations under this Lease. Tenant waives any rights now or in the future conferred upon it by statute or otherwise to quit or surrender this Lease or to any rebate, refund, suspension, diminution, abatement or reduction of rent on account of any destruction or damage to the Premises, except as otherwise specifically provided herein.

Section 22.03 Restoration at End of Term. Notwithstanding the foregoing, during the last two (2) years of the Term, if the Improvements are damaged or destroyed and replacement would be commercially unreasonable given the then current economic housing market, Tenant shall not be obligated to repair and restore damage to the Premises and may terminate this Lease if the following conditions are satisfied: (a) Tenant shall remit to Landlord the then remaining amount of funds allocated to the capital repair and replacement balance sheet reserve; (b) Landlord shall be entitled to any insurance proceeds; and (c) Tenant shall deliver to Landlord an instrument releasing, demising, conveying and transferring to Landlord all of Tenant's rights, title and interest under this Lease.

Section 22.04 Damages for Failure to Comply with Repair Obligations. If the restoration, repair, replacement, or rebuilding of damaged or destroyed portions of the Premises is not substantially completed in accordance with Section 22.01 within a reasonable time after the date of such damage or destruction, Landlord may terminate this Lease upon thirty (30) days written notice thereof to Tenant and, in such event, Landlord shall receive the proceeds of all insurance obtained in accordance with Article 18 of this Lease to the extent such proceeds have not been

expended on or committed to such restoration and Tenant shall deliver to Landlord an instrument releasing, demising, conveying and transferring to Landlord all of Tenant's rights, title and interest under this Lease.

ARTICLE 23

TITLE PROVISIONS

Section 23.01 Quiet Enjoyment. Tenant, upon payment of the Rent and the performance and observance of all covenants, warranties, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the term of this Lease, without hindrance or molestation by anyone claiming by, through or under Landlord.

Section 23.02 Landlord's Title. Landlord represents and warrants to Tenant that it has fee simple title to the Land and the power and authority to execute and deliver this Lease and to carry out and perform all covenants to be performed by it.

Section 23.03 Future Landlord Encumbrances. Landlord acknowledges and agrees that any future mortgage, pledge or encumbrance of Landlord's interest in the Land or Improvements shall be subject to Tenant's rights in this Lease.

ARTICLE 24

DISPUTE RESOLUTION

Section 24.01 Dispute Resolution. In recognition of the long term nature of each party's commitment to the other and the substantial investment made by Tenant with regard to the Premises, in the event of a dispute, Landlord and Tenant agree that dispute resolution shall proceed as follows: first, negotiation as provided in Section 24.02; second, mediation, as provided in Section 24.03; and third, if the parties are still unable to resolve their dispute, the complaining party shall have all of the rights set forth in this Lease and available to such party under applicable law to pursue adjudication and resolution of the dispute ("**Dispute Resolution**"). Notwithstanding anything to the contrary herein, Landlord shall not be required to engage in negotiation under Section 24.02 or mediation under Section 24.03 prior to seeking legal redress for a Tenant Event of Default under Sections 25.01(a), (c), (d), (e), (f) (h) and (i) of this Lease.

Section 24.02 Negotiation. In addition to its ongoing guidance role for the Premises, the Advisory Committee established as provided in the Operating Agreement shall serve as the first step of the dispute resolution process of the Landlord and Tenant. As to any dispute that cannot be resolved in the normal course, prior to resorting to any other remedies, the parties shall first attempt in good faith to resolve any dispute promptly by convening an in person meeting of the Advisory Committee. Any member of the Advisory Committee may give notice to the other members of any dispute not resolved in the ordinary course of business, specifying the basis of the dispute and any pertinent facts. Within fifteen (15) days after delivery of the notice, the Advisory Committee shall meet at a mutually acceptable time and place, and thereafter as often as they

reasonably deem necessary, to attempt to resolve the dispute. All negotiations and materials provided pursuant to this negotiation process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence under applicable law and statements made by any party during negotiation may not be used against it in later proceedings if the parties fail to resolve the dispute during negotiation.

Section 24.03 Mediation. If a dispute has not been resolved by the Advisory Committee as provided above within twenty (20) days, or the parties failed to meet within fifteen (15) days after delivery of the initial notice of negotiation, the parties shall endeavor to resolve the dispute by private mediation in the city or town where the Premises is located, or the nearest feasible location. If Landlord and Tenant cannot agree upon a mediator, each shall select one name from a list of mediators maintained by any bona fide dispute resolution provider or other private mediator, and the two mediators chosen by Landlord and Tenant shall then choose a third person who will serve as mediator. The parties agree to each have a representative present at the mediation who has authority to bind it to a written settlement agreement, subject to the approval of the Board of Directors of Tenant and any consents or approvals required by legislation and regulations governing Landlord. The initial mediation session shall be held promptly (but not more than thirty (30) days following appointment of the mediator). All negotiations and materials provided pursuant to this mediation process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence under applicable law. Positions and statements made by any party during mediation may not be used against it in later proceedings if the parties fail to reach a settlement agreement during mediation. Each party shall bear its own expenses and shall pay an equal share of the expenses of the mediator. Agreements reached in any mediation proceeding shall be enforceable as settlement agreements in any court having jurisdiction thereof.

Section 24.04 Further Legal Action. Except as otherwise provided in this Lease, it is the intent of the parties that these negotiation and mediation procedures shall govern any dispute under this Lease and either party shall have the right to specifically enforce the negotiation and mediation procedures before the other party may seek legal redress in a court of law. If a dispute has not been resolved by negotiation and mediation as provided in Sections 24.02 and 24.03, either party shall have the right to commence legal action. Any legal actions brought to enforce this Lease shall be brought in the courts located in Ada County, Idaho. The parties hereto each irrevocably consent to the jurisdiction of such courts.

ARTICLE 25

DEFAULT

Section 25.01 Tenant Events of Default. Any one or more of the following events shall constitute an event of default of Tenant under this Lease (a “**Tenant Event of Default**” or “**Tenant Default**”):

(a) Tenant’s failure to pay any Rent, or any other amount due hereunder, when due and payable, and the continuation of the failure to pay said obligations for thirty (30) days after written notice from Landlord to Tenant.

(b) Tenant's failure to observe and perform any of the other terms, covenants, conditions, limitations or agreements under this Lease on Tenant's part to be observed or performed and the continuation of the failure for a period of thirty (30) days after notice from Landlord to Tenant specifying the nature of the failure; provided that if the default involved is curable but not within thirty (30) days, then so long as Tenant shall commence the cure involved within such thirty (30) day period after notice and thereafter diligently pursue completing the cure, the time within which such cure must be completed shall be extended for the period necessary to complete the cure

(c) If Tenant, Parent or any guarantor of the performance of Tenant's covenants and obligations under this Lease shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future federal, state or other bankruptcy or insolvency statute or law (collectively, "**Insolvency Laws**"), or shall seek, consent to or acquiesce in the appointment of any bankruptcy or insolvency trustee, receiver or liquidator of Tenant, Parent or any guarantor of the performance of Tenant's covenants and obligations under this Lease, as applicable, or of all or any substantial part of its properties or of the Premises or Improvements, or shall make a general assignment for the benefit of creditors, or be unable to pay its debts as they mature.

(d) The commencement of any action, case or proceeding against Tenant, Parent or any guarantor of the performance of Tenant's covenants and obligations under this Lease seeking (i) any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Insolvency Laws, or (ii) the appointment, without the consent or acquiescence of Tenant, Parent or any guarantor of the performance of Tenant's covenants and obligations under this Lease, as applicable, of any trustee, receiver or liquidator of Tenant or of all or substantially all of its properties or of the Premises, and such proceedings shall continue undismissed for a period of sixty (60) days.

(e) If Tenant shall abandon the Premises.

(f) If a Lien is filed against the Premises and Tenant fails to furnish a bond or otherwise obtain a release or discharge of the Lien as required by Article 11 of this Lease.

(g) If any warranty or representation of Tenant contained in this Lease is untrue in any material respect as of the date made.

(h) Tenant, Parent or any guarantor of the performance of Tenant's covenants and obligations under this Lease shall be dissolved or liquidated or shall be involved in proceedings towards dissolution or liquidation, except in conjunction with a permitted assignment to a Tenant Party or a Permitted Change in Control, neither of which shall constitute a Tenant Event of Default.

(i) An assignment of this Lease in violation of Article 13.

(j) Any mortgage of the Premises that is not approved by Landlord or in violation of Article 21.

Section 25.02 Chronic Default. Tenant shall be deemed in “**Chronic Default**” under this Lease if Tenant, more than three (3) times in any twenty-four (24) month period, fails to make a payment of Rent or other amount due hereunder, when due and payable or fails to observe and perform any other terms, covenants, conditions, limitations or agreements under this Lease on Tenant’s part to be observed or performed (regardless of whether Tenant has timely cured). If Tenant is in Chronic Default, then Landlord shall be permitted to declare a Tenant Event of Default pursuant to Section 25.01(a) or (b) by providing written notice to Tenant and Tenant shall have no further cure periods for a default in the payment of Rent or other amount due hereunder.

Section 25.03 Remedies on Tenant Default.

(a) Upon the occurrence of a Tenant Event of Default under Sections 25.01(b) or (g) of this Lease, Landlord and Tenant shall first attempt to resolve the Tenant Default by engaging in negotiation under Section 24.02 and, if necessary, mediation under Section 24.03.

(b) Upon the occurrence of any other Tenant Event of Default, or if the negotiation and mediation provided for in Section 25.03(a) is unsuccessful, Landlord, at its option, shall have the following remedies:

(i) pursue an action for any and all actual damages incurred by or asserted against Landlord as a result of Tenant’s Default, including reasonable attorney’s fees incurred;

(ii) pursue an action for specific performance (except as provided in Section 13.01(b));

(iii) with respect to any defaults occurring during the construction of the Improvements, exercise any rights Landlord may have under any applicable performance bond;

(iv) subject to the rights of the Permitted Residents under Permitted Leases, terminate this Lease and the rights of Tenant hereunder and take possession of the Premises upon payment to Tenant of the Early Termination Fee at the time of the termination, less any fees resulting from the determination of the Early Termination, which shall be paid by Tenant, less any damages due to Landlord as a result of Tenant’s Default, such damages to be agreed to by the parties or determined through Dispute Resolution; provided that, before this Lease may be terminated for a Tenant Event of Default described in Section 25.01(a) or (b), Tenant must be in Chronic Default; and for a Tenant Event of Default described in Section 25.01(f), Tenant must have failed to furnish a bond or otherwise obtain a release or discharge of the Lien within a year from the date of filing of the Lien;

(v) require Tenant to market and assign its rights in and obligations under this Lease to a Qualified Assignee at a price not less than a sum equal to the Early Termination Fee at the time of the termination, less any fees resulting from the determination of the Early Termination. In such case, Tenant will pay the costs of the marketing and assignment of its rights and obligations under this Lease and will be entitled to the proceeds from such assignment, less any damages due to Landlord as a result of Tenant’s Default; provided that, before Landlord may require Tenant to assign its rights in and obligations under this Lease pursuant to

this provision because of a Tenant Event of Default described in Section 25.01(a) or (b), Tenant must be in Chronic Default; and for a Tenant Event of Default described in Section 25.01(f), Tenant must have failed to furnish a bond or otherwise obtain a release or discharge of the Lien within a year from the date of filing of the Lien; and

(vi) exercise or pursue any other remedy or cause of action permitted under this Lease or available at law or in equity to recover actual damages suffered by Tenant as a result of Landlord's Event of Default.

Section 25.04 Landlord Events of Default. A "**Landlord Event of Default**" shall occur if Landlord fails to observe and perform any of the material terms, covenants, conditions, limitations or agreements under this Lease on Landlord's part to be observed or performed and the continuation of the failure for a period of thirty (30) days after notice from Tenant to Landlord specifying the nature of the failure; provided that if the default involved is curable but not within thirty (30) days, then so long as Landlord shall commence the cure involved within such thirty (30) day period after notice and thereafter diligently pursue completing the cure, the time within which such cure must be completed shall be extended for the period necessary to complete the cure.

Section 25.05 Remedies on Landlord Default. Upon a Landlord Event of Default, Landlord and Tenant shall engage in negotiation under Section 24.02 and, if necessary, mediation under Section 24.03, and, if such negotiation and mediation are unsuccessful Tenant shall have the following remedies:

(a) pursue an action for specific performance of Landlord's obligations under this Lease;

(b) pursue an action for any and all actual damages incurred by or asserted against Tenant as a result of Landlord's Event of Default, as may be permitted by law; and

(c) exercise or pursue any other remedy or cause of action permitted under this Agreement or available at law or in equity to recover actual damages suffered by Tenant as a result of Landlord's Event of Default and/or seek specific performance of this Lease.

Section 25.06 Payments. If Tenant fails to make any payment due under this Lease in full when due, that portion of the payment that remains unpaid shall bear interest at the Default Rate.

Section 25.07 No Termination of Agreement During Pendency of Negotiation or Mediation. So long as the parties are engaged in good faith in negotiation under Section 24.02 or mediation under Section 24.03, no notice of termination or threatened termination of this Lease may be given by any party seeking to enforce remedies for a default under this Lease.

Section 25.08 Rights and Remedies Cumulative. Except as expressly designated as an exclusive remedy, no right or remedy contained herein is intended to be exclusive of any other right or remedy provided herein or by law, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity or by statute.

Section 25.09 Consequential Damages. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby agree that neither shall seek consequential damages, punitive damages, treble or other multiple damages, and damages for lost opportunity or lost profits for claims, disputes, or other matters arising out of or relating to this Lease (collectively, “**Consequential Damages**”).

ARTICLE 26

EARLY TERMINATION OPTIONS

(a) Early Termination Options. Landlord shall have the option to terminate this Lease on the 10th anniversary date of the Rent Commencement Date, and thereafter every five (5) years, upon (i) two (2) year’s prior written notice to Tenant and (ii) payment of the Early Termination Fee. Upon termination of this Lease, the Improvements, the Personal Property, and all additions, alternations and improvements thereto or replacements thereof shall be deemed to be the property of Landlord as provided in Article 15 of this Lease. “**Early Termination Fee**” shall mean an amount equal to the net present value of Estimated Annual Net Income for the remaining part of the Term with residual value of the Improvements of zero dollars (\$0.00), calculated utilizing a seven and a quarter percent (7.25%) discount rate minus the Replacement Reserve Allocation Excess. A further illustration of the method for calculating the Early Termination Fee is set forth in the Financial Model.

(b) “**Estimated Annual Net Incomes**” shall mean the expected Net Income of Tenant each year for the remaining part of the Term calculated based on the average rate of increase of Tenant’s Net Income for the five (5) years preceding the determination of the Early Termination Fee, or the corresponding proforma amount if the Lease is terminated prior to the 5th year (the “**Estimated Net Income Percentage Increase Rate**”); provided that for purposes of calculating Estimated Net Income, the Estimated Net Income Percentage Increase Rate shall not be less than three percent (3%) and shall not be greater than nine percent (9%).

(c) In the event of an assignment of this Lease to a Qualified Assignee, the Early Termination Fee shall be equal to the consideration set forth in the Bona Fide Offer.

ARTICLE 27

MISCELLANEOUS

Section 27.01 University Accreditation. Tenant agrees to (a) cooperate with the University in the University’s accreditation process and (b) take all actions and do all things necessary to ensure that its possession, use, operation and management of the Premises does not negatively affect the University’s accreditation.

Section 27.02 Approvals. Tenant, at its sole expense, shall take all actions and do all things necessary to obtain, and shall make and diligently prosecute applications for all approvals, from all governmental or administrative agencies or regulatory bodies having jurisdiction, for the construction and operation of the Improvements upon the Land, including, without limitation, all site plan approvals, zoning variances, easement and franchise agreements, building permits,

certificates of occupancy, and all applications for licenses, permits and permission to construct and maintain all on-site and off-site Improvements, curbcuts, and utility lines and services. Landlord shall reasonably cooperate with Tenant in such applications and appeals, if any, without expense to Landlord, provided the approvals sought are consistent with the provisions of this Lease.

Section 27.03 No Representations Regarding Use Regulations. No representation, statement, or warranty, express or implied, has been made by Landlord as to the condition of the Land, or its permitted use under applicable zoning, building, land use and similar laws, ordinances and regulations (“**Use Regulations**”). Tenant assumes all responsibility for compliance with the Use Regulations, and Landlord shall have no liability or responsibility for any defect in the Land or for any limitations upon the use of the Land.

Section 27.04 Conditions Precedent. The effectiveness of this Lease shall be subject to the approval of the Idaho State Board of Education and any additional consents or approvals required by legislation and regulations governing Landlord.

Section 27.05 Force Majeure. Neither Landlord nor Tenant shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Lease, for any failure or delay in fulfilling or performing any term of this Lease, when and to the extent such failure or delay is caused by or results from Force Majeure. For purposes of this Agreement, Force Majeure means any event or condition beyond the reasonable control of a party which, despite its reasonable efforts to prevent, avoid, delay or mitigate, prevents, impacts or delays a party from performing its obligations under this Lease. Force Majeure includes, but is not limited to: (a) acts of God; (b) flood, fire, hurricane, earthquake or unusually severe weather; (c) epidemic or quarantine; (d) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, explosion, riot or other civil unrest; (e) government order or law; (f) actions, embargoes or blockades in effect on or after the date of this Agreement; (g) action by any governmental authority; (h) national or regional emergency; (i) strikes, labor stoppages or slowdowns or other industrial disturbances; (j) shortage of adequate power or transportation facilities; (k) significant and severe change in the economic condition of a party related to market forces or unforeseen loss of government funding beyond the control of such party and not proximately related to such party’s own actions; (l) significant increases in the price of construction labor and materials prior to commencement of the Project that are greater than the average annual increases in the last ten years; (m) failures in the banking and financial systems of the United States; and (n) other events beyond the reasonable control of the party impacted by the Force Majeure Event (the “**Impacted Party**”). The Impacted Party shall give notice as soon as practicable but in any event, within ten (10) business days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Force Majeure events shall not excuse Tenant from the prompt payment of Rent as required under this Lease.

Section 27.06 Relationship of the Parties. This Lease shall not be deemed or construed to create or establish any partnership or joint venture or similar relationship or arrangement between the parties.

Section 27.07 Authorized Representatives. Tenant hereby appoints the following as its respective Authorized Representatives during Development of the Project: Thomas Trubiana and Steven Schnoor, and for the Management of the Facilities, Christine D. Richards, each of whom may act individually, and such other persons as may be appointed in writing by them from time to time and with prior written notice of such appointment provided to Landlord. Landlord hereby appoints Mike Sumpter, Director of Facilities, Operations and Maintenance as its Construction Coordination Authorized Representative and such other individual as may be appointed by Landlord from time to time.

Section 27.08 Notices. Any notice, request or other communication given or made hereunder (“**Notice**”) shall be in writing and sent by either of the parties or their respective attorneys by any of the following means: (i) by registered or certified mail, return receipt requested, postage prepaid, (ii) by personal delivery, (iii) by recognized overnight delivery service for overnight delivery or (iv) by facsimile or e-mail, provided, however, that notice by facsimile or e-mail shall be promptly supplemented by delivery of notice as provided in (iii) above. Any such Notice shall be addressed to the other party at the mailing addresses, facsimile numbers or e-mail addresses set forth below, or to such other mailing addresses, facsimile numbers or e-mail addresses for each party as each party may hereafter designate by Notice given to the other party pursuant to this Section:

To Landlord/University:

Boise State University
Office of General Counsel
Attention: Kevin Satterlee
1910 University Dr.
Boise, ID 83725-1002

With a Copy to:

Boise State University
Real Estate Services
Attention: Jared Everett
1910 University Dr.
Boise, ID 83725-1247

To Tenant:

Education Realty Trust, Inc.
999 South Shady Grove Road, Suite 600
Memphis, Tennessee 38120
Attention: President and General Counsel
Telephone: (901) 259-2500
Facsimile: (901) 259-2594

With a copy to (which shall not constitute Notice):

Martin, Tate, Morrow & Marston, P.C.
6410 Poplar Avenue, Suite 1000

Memphis, Tennessee 38119
Attention: Clayton C. Purdom
Telephone: 901-522-9000
Facsimile: 901-527-3746
Email: cpurdom@martintate.com

Section 27.09 Access to Records; Public Records Law. The parties hereto acknowledge that Idaho Public Records Law, Idaho Code Sections 9-337 through 9-348, allows the open inspection and copying of public records. Public records include any writing containing information relating to the conduct or administration of the public's business prepared, owned, used or retained by a State agency regardless of physical form or character. Accordingly, certain Information may be public record subject to disclosure under the Idaho Public Records Law. Information Tenant considers exempt under the Public Records Law or otherwise protected by disclosure, must be marked as "exempt" or "trade secret" on **EACH PAGE** containing such information. Only those pages identified as "trade secret" or otherwise exempt from disclosure will be exempt from disclosure and the University will honor such nondisclosure to the extent permitted by law. All other pages of the proposal will be released without review. The exemption for "trade secrets" and other exemptions from the Public Records Law are limited and information will be exempt from disclosure only to the extent the content meets the definition of trade secret or other applicable exemption in the Public Records Law. Accordingly, the University cannot guarantee information marked as "trade secret" or "exempt" will be exempt from disclosure. In addition, certain documents and materials may be required to be publicly disclosed and available for the purpose of presentation to and meetings of the Idaho State Board of Education. Tenant acknowledges such Information shall be public to the extent required by applicable laws, regulations and policies of the Idaho State Board of Education and consents to disclosure of such Information.

Section 27.10 Confidentiality. Subject to Section 27.09, the parties acknowledge that the certain matters relating to this Agreement and the information related thereto, including without limitation any information relating to parties or their affiliates and all student records maintained by the University that are protected by the Family Rights and Education Privacy Act (FERPA), Idaho state law and/or University regulations, collectively (the "**Information**"), are confidential in nature. To the extent permitted by law, the parties covenant and agree to keep the Information confidential and will not (except as required by applicable law, regulation, or legal process, and only after compliance with provisions hereof), without the prior written consent of the other party, disclose any Information in any manner whatsoever; provided, however, that the Information may be revealed only to a party's key employees, legal counsel and financial advisors (collectively, "**Contract Parties**", and each individually "**Contract Party**"), each of whom shall be informed of the confidential nature of the Information, shall agree to act in accordance with the terms hereof, and shall agree to use the Information solely for the purpose of evaluating the transaction contemplated in this Agreement. In the event that a party or Contract Parties are requested pursuant to, or required by, applicable law, regulation or legal process (collectively "**Applicable Law**") to disclose any of the Information, the applicable Contract Party shall notify the other party promptly so that such party may seek a protective order or other appropriate remedy (collectively "**Remedy**") or, in the affected party's sole discretion, such party may waive compliance with the terms hereof; provided, however, that the Remedy must be of a nature that a Contract Party's

failure to disclose the information will not place the Contract Party in violation of Applicable Law or otherwise expose the Contract Party to any liability for failure to disclose the Information as required by Applicable Law, and, provided further, that the Remedy must be secured not later than forty-eight (48) hours in advance of the deadline for disclosure of the Information in compliance with Applicable Law. In the event that no Remedy is obtained, or that the affected party waives compliance with the terms hereof, the Contract Party may furnish only that portion of the Information which it is advised by counsel is legally required and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Information. Each party shall be responsible for any breach of the covenants in this section by any Contract Party.

Section 27.11 Non-Recourse Agreement; No Recourse to State of Idaho General Fund Appropriations. No funds of the State of Idaho shall be used for any University obligation set forth in this Lease, including without limitation termination fees set forth in Article 26, or any payment or damages required of the University in case of default hereunder. In no case shall the University have any obligation or liability under this Agreement in any given year of the Term in excess of the revenues from the Project for such year (“**Annual Project Revenues**”), except for the payment of the Early Termination Fee upon termination of the Term, which may be paid by revenues from the Project escrowed for such event, general revenues of the University not otherwise encumbered, or by another third party operator of the Project, but in no case by appropriations or other funds of the State of Idaho.

Section 27.12 Interpretation. Unless otherwise specified herein: (a) the singular includes the plural and the plural the singular; (b) words importing any gender include the other genders; (c) references to persons include their permitted successors and assigns; and (d) the headings of articles and sections contained in this Lease are inserted as a matter of convenience and shall not affect the construction of this Lease. The parties have jointly, with the advice and assistance of their respective legal counsel, participated in the negotiation and drafting of all of the terms and provisions of this Lease, and, accordingly, it is agreed that no term or provision of this Lease shall be construed in favor of or against any party by virtue of the authorship or purported authorship thereof by any party.

Section 27.13 Applicable Law. This Lease shall in all respects be governed by, and construed in accordance with the laws of the state in which the Premises are located. Venue for purposes of any actions brought under this Lease, or under any agreement or other document executed in conjunction herewith, shall be in the courts of Ada County, Idaho and the parties hereby irrevocably consent to the jurisdiction and venue of such courts.

Section 27.14 Amendment and Waiver. This Lease may be amended or changed only by written instrument duly executed by Landlord and Tenant and any alleged amendment or change which is not so documented shall not be effective as to either. The failure of either to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

Section 27.15 Severability. If any provision of this Lease or the application thereof to any person, entity or circumstance shall, for any reason and to any extent, be invalid or unenforceable but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties hereto as contained herein by invalidating an essential term, including but not limited to: the provision of student housing services by Tenant, the payment of Rent to the Landlord by Tenant, and the payment of the Early Termination Fee by Landlord to Tenant in the case of early termination for any reason, the remainder of this Lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

Section 27.16 Entire Agreement; Further Assurances. This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between Landlord and Tenant with regard to the matters set forth herein, including, but not limited to, the financial obligations relating thereto, and there are no covenants promises, agreements, conditions, or understandings, either oral or written between them as to these matters, other than as are set forth herein. The recitals, schedules and exhibits attached hereto or referred to herein are hereby incorporated herein and made a part hereof. At any time or times after the date hereof, each party shall execute, have acknowledged, and delivered to the others any and all instruments, and take any and all other actions, as the other parties may reasonably request to effectuate the transactions described herein.

Section 27.17 Multiple Counterparts. This Lease may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

Section 27.18 Successors and Assigns. This Lease shall be binding on, and shall inure to the benefit of, the parties hereto and the parties' respective permitted successors and assigns.

Section 27.19 No Third Party Beneficiaries. Nothing in this Lease shall be construed to permit anyone other than Landlord and Tenant and their respective successors and permitted assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of action (as a third party beneficiary or otherwise) on account of any nonperformance or performance hereunder.

22.20 No Personal Liability. No officer, official, employee, agent or representative of either party shall be personally liable to the other party or any successor in interest, in the event of any default or breach by the party for any amount which may become due to the other party or any successor in interest, or on any obligation incurred under the terms of this Lease.

22.21 Officials, Agents and Employees of State of Idaho Not Personally Liable. It is agreed by and between the parties that in no event shall any official, officer, employee or agent of the State of Idaho be in any way liable or responsible for any covenant or agreement contained in this Lease, express or implied, nor for any statement, representation or warranty made in or in any way connected with this Lease Agreement or the Premises. In particular, and without limitation of the foregoing, no full-time or part-time agent or employee of the State of Idaho shall have any personal liability or responsibility under this Lease Agreement, and the sole responsibility and liability for the performance of this Lease Agreement and all of the provisions and covenants contained in this Lease Agreement shall rest in and be vested with the Landlord.

Section 27.20 Nondiscrimination. Tenant hereby agrees to perform all of its obligations related to this Lease without discrimination on the basis of race, color, national origin, religion, sex, age, physical/mental impairment, and to comply with all relevant sections of: Title VI of the Civil Rights Act of 1964, as amended;; and The Age Discrimination Act of 1975; and to comply with pertinent amendments to these acts made during the term of this Lease Agreement. Tenant further agrees to comply with all pertinent parts of federal rules and regulations implementing these acts. Tenant hereby agrees to provide equal employment opportunity in employment and not to discriminate on the basis of race, color, national origin, religion, sex, age, physical/mental impairment, and covered veteran status to the extent required by applicable law.

Section 27.21 Construction or Renovation of Buildings. All buildings owned or maintained by any State government agency or entity, or which are constructed or renovated specifically for use or occupancy by any such agency or entity shall conform to all existing state codes, including but not restricted to, the Idaho General Safety and Health Standards, the International Building Code, the International Mechanical Code and the International Fire Code. If any conflict arises between applicable codes, the more stringent code shall take precedence. Prior to construction or remodeling of such buildings, where appropriate, construction plans shall be reviewed and approved by the Division of Building Safety, the State Fire Marshal's Office and the Permanent Building Fund Advisory Council.

Section 27.22 Long Term Energy Costs. Long-term energy costs, including seasonal and peaking demands upon the suppliers of energy, are to be a major consideration in the construction of the Improvements. Special attention shall include energy conservation considerations including: (i) Chapter 13 of the International Building Code, 2000 Edition; (ii) use of alternative energy sources; (iii) energy management systems and controls to include effective means to monitor and maintain systems at optimal operations; and (iv) "state-of-the-art" systems and equipment to conserve energy economically.

Section 27.23 Non-Smoking Buildings. All Improvements shall be designated as "non-smoking" except for custodial care and full-time residential facilities. The policy governing custodial care and full-time residential facilities may be determined by the directors of such facilities.

Section 27.24 Utility Information. Tenant agrees to provide Tenant with ongoing permission to access the utility information of the building to determine the amount of electricity and heating fuel consumed within the Premises. If Landlord is not able to access this information directly from the utility companies, Tenant agrees to furnish said information to Landlord upon request on a calendar year basis.

Section 27.25 Indoor Air Quality. Tenant agrees to develop and maintain an indoor air quality management program and to maintain it in conjunction with all construction projects in the Premises as well as on all ongoing maintenance and repairs of the Premises. Said program shall optimize and document the use of air quality compliant materials inside the Improvements to reduce the emissions from materials used in the Improvements. Ongoing indoor air quality requires the use of low or no VOC paints, solvents, adhesives, furniture and fabrics. VOC and chemical component limits shall not exceed Green Seal's Standard GS-11 requirements. Paints

used on site shall be low VOC and are to be brush-applied only, spray painting is not allowed on the interior of the Building. Carpet must meet the requirements of the CRI Green Label Plus Carpet Testing Program. Carpet cushion must meet the requirements of the CRI Green Label Testing Program. Composite panels and agrifiber products must not contain added urea-formaldehyde resins. Laminate adhesives used to fabricate on-site and shop applied assemblies containing these laminate adhesives must contain no urea-formaldehyde.

Section 27.26 Certificates. As an accommodation to each other, each party shall, without charge, by written instrument duly executed and acknowledged, certify to any person, firm or corporation seeking certification of the following matters:

- (a) that this Lease has not been amended, or if it has, the substance of the amendment;
- (b) whether the Lease is in full force and effect;
- (c) the existence of any default, set-off, counterclaim, defense or Dispute Resolution regarding the resolution of any alleged default on the part of the other party;
- (d) the commencement of this Lease and the Term;
- (e) the dates to which Rent has been paid; and
- (f) any other matters that may reasonably be requested.

The certificate may be relied upon by the party requesting it and any other person, firm or corporation to whom by the terms of the certificate it may be exhibited or delivered, and the contents of the certificate shall be binding on the party which executed it.

Section 27.27 Short Form of Lease. The parties will, at the request of either one, promptly execute duplicate originals of an instrument, in recordable form, which will constitute a short form of Lease, setting forth a description of the Premises, the terms of this Lease and any other portions of the Lease, except the rental provisions, as either party may request. Tenant will pay all costs of recordation of any short form of lease.

Section 27.28 No Broker. The parties warrant and represent to each other that no real estate broker or agent was instrumental or in any way responsible in bringing about this Lease. Each party shall be responsible for any fees or compensation due any broker or agent engaged by such party.

Section 27.29 Time is of the Essence. Time is of the essence in this Lease and the performance of all obligations under this Lease.

Section 27.30 Guarantee. The performance of Tenant's covenants and obligations under this Lease shall be guaranteed by Guarantor in accordance with the guaranty by Tenant in favor of Landlord, which shall be executed simultaneously with the execution of this Lease (the "**Guaranty**"). Guarantor shall maintain sufficient assets to fulfill its obligations under the Guaranty and if it does not, then Landlord may require Tenant to provide an additional or substitute

guarantor of the Lease. All references to the Guarantor of this Lease shall also refer to any additional or substitute Guarantor, as applicable.

Section 27.31 Laws and Regulations Cited in Lease. With respect to any law or regulation cited in this Lease, the citation shall refer to the law or regulation as it may be amended from time to time, or any successor laws or regulations as the same may be renumbered or renamed from time to time.

REIT Status. Landlord recognize that Tenant is owned directly or indirectly by a real estate investment trust (“**REIT**”) and that such REIT must comply with a number of restrictions under the Internal Revenue Code (the “**Code**”) to maintain its status as a REIT under Section 856 of the Code. Landlord agrees that Tenant will operate in a manner that will permit it to comply with all of the requirements necessary to enable the Tenant Parties to qualify as a REIT for U.S. federal income tax purposes. Landlord agrees that it shall not take any action which would cause any of the income derived by Tenant to fail to qualify as “rents from real properties” or as other qualifying income under Section 856(c)(2) of the Code without the express written approval of Tenant.

ARTICLE 28

REPRESENTATIONS AND WARRANTIES

Section 28.01 Representations and Warranties of Tenant.

(a) Tenant represents and warrants to Landlord that (i) Tenant is a limited liability company validly existing and in good standing under the laws of the State of Delaware, duly qualified and in good standing under the laws of the state in which the Premises is located, and has all requisite power and authority to carry on its business as now conducted and to execute, deliver and perform this Lease; (ii) the execution, delivery and performance of this Lease is within its power, has been authorized by all necessary action and does not contravene any provision of its certificate formation and operating agreement in effect on the date hereof; (iii) this Lease has been duly executed and delivered by an authorized person of Tenant; (iv) this Lease, assuming that it has been duly and validly executed and delivered by Landlord, is the valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, subject to general equitable principles and applicable provisions of law related to bankruptcy, insolvency and creditors’ rights generally; (v) the execution, delivery and performance by Tenant of this Lease does not conflict with or result in a breach of any of the provisions of, or constitute a default under, any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Tenant, its activities or property is bound or any applicable law or order, rule or regulation of the court or governmental authority having jurisdiction over Tenant, its activities or property; (vi) as of the Rent Commencement Date, neither Tenant nor, to the knowledge of Tenant, Parent or Guarantor, has any current plans, or is party to any discussions, which would relate to or would result in (A) a Change of Control of Tenant, Parent or Guarantor, (B) the assignment or sublease of this Lease or (C) a sale or transfer of all or substantially all of the assets of Tenant, Parent or Guarantor; (vii) there are no lawsuits, claims, suits, or legal, administrative or other proceedings or investigations,

civil or criminal, pending or, to Tenant's knowledge, threatened against or affecting Tenant, nor to Tenant's knowledge, is there any basis for any of the same; and there is no action, suit or legal, administrative or other proceeding pending or, to Tenant's knowledge, threatened which questions the legality or propriety of the transactions contemplated by this Lease; and (viii) no order, permission, consent, approval, license, authorization, registration or filing by or with any governmental authority having jurisdiction over Tenant, its activities or property is required for the execution, delivery or performance by Tenant of this Lease.

Section 28.02 Representations and Warranties of Landlord. Landlord represents and warrants to Tenant that (i) it is an agency and instrumentality of the State of Idaho is qualified to transact business in Boise, Idaho, and has all requisite power and authority to carry on its business as now conducted and to execute, deliver and perform this Lease; (ii) the execution, delivery and performance by Landlord of this Lease is within its power, has been authorized by all necessary action and does not contravene any provision of its governing documents or legislative authority, as in effect on the date hereof; (iii) this Lease has been duly executed and delivered by an authorized person of Landlord; (iv) this Lease, assuming that it has been duly and validly executed and delivered by Tenant, is the valid and binding obligation of Landlord, enforceable against Landlord in accordance with its terms, subject to general equitable principles and applicable provisions of law related to public entities, bankruptcy, insolvency and creditors' rights generally; (v) the execution, delivery and performance by Landlord of this Lease do not conflict with or result in a breach of any of the provisions of, or constitute a default under, any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Landlord, its activities or property is bound or, in the good faith belief of Landlord, and excluding any provisions of this Lease that are limited by the extent to which they are permitted by Law, for which Landlord makes no representation or warranty, any applicable law or order, rule or regulation of the court or governmental authority having jurisdiction over Landlord, its activities or property; and (vi) no order, permission, consent, approval, license, authorization, registration or filing by or with any governmental authority having jurisdiction over Landlord, its activities or property is required for the execution, delivery or performance by Landlord of this Lease.

SIGNATURE PAGE TO GROUND LEASE AGREEMENT BETWEEN BOISE STATE
UNIVERSITY AND EDR BOISE LLC DATED _____, 2015

IN WITNESS WHEREOF, each of the Parties hereto has executed this Lease
effective as of the day and year first set forth above.

LANDLORD

BOISE STATE UNIVERSITY

By: _____
Name: _____
Title: _____

TENANT

EDR BOISE LLC

By: _____
Name: _____
Title: _____

Exhibit A

Legal Description of the Land

[To be provided]

Exhibit A-1

Legal Description of Adjacent Land

[To be provided]

Exhibit B

Conceptual Drawings

[To be provided as drawings agreed upon by the parties]

Exhibit C

Easement Areas

[To be provided as drawings agreed upon by the parties]

Exhibit D

Temporary Construction Easement Area

[To be provided as drawings agreed upon by the parties]

Exhibit E

Development Budget

[To be provided and agreed upon by the parties]

Exhibit F

Prohibited Commercial Uses

Without the prior written consent of the Landlord, no portion of the Premises shall be used for:

- overnight public accommodations (except to Permitted Residents)
- Community outreach organizations primarily serving non university individuals with previous criminal convictions and or mental health concerns
- retail operation as would be in violation of local business zoning standards in and adjacent to residential spaces and living quarters.
- public policy advocacy organizations (other than those composed solely of University students and/or faculty)
- political parties or campaign operations (other than those related solely to University student campaigns)
- pawn shops
- nude or semi-nude dance halls; adult bookstores; or retail operations principally featuring sexually explicit materials or services for purchase
- head shop or drug paraphernalia sales operations
- package liquor sales or sales by the drink
- tobacco sales or use operations
- religious bookstores and or specific faith advocacy operations or any operation that may reasonably be viewed as a cult in nature (except meetings of University student faith based organizations)
- illegal operations or use
- gambling operations including but not limited to: slots; card games of chance; off track horse race betting parlors or bingo
- video and/or digital computer gaming retail sales or retail operations that feature adult restricted games and/or what would be reasonably perceived as excessively or gratuitously violent and/or sexual games.
- retail operation that principally retails or wholesales non medicinal ingestible materials (liquids; pills; supplements and stimulants) that can be reasonably considered to carry health risks due to usage.
- health care providing or associated facilities
- “sub leases” to entities or operations specifically excluded under this listing or other terms of the Lease
- educational material sales which would violate student or faculty ethical standards of the University
- sales of products governed by university pouring contracts or other single vendor agreements that Tenant is bound to under the terms of the Lease
- retail operations that are principally designed to encourage acquisition of credit cards or promote other credit applications
- cafeteria (except as permitted by the Lease)
- a theatre, a bowling alley, a health spa or a fitness center (except that “movie nights” for Permitted Residents are permitted and a fitness center exclusively serving the Permitted Residents for no additional charge)
- billiard parlor open to the public
- night club, dance hall or similar place of recreation or amusement
- business serving or selling alcoholic beverages except as permitted by the Lease
- business whose major source of business is derived from the cashing of checks or making loans
- grocery store or supermarket, a wholesale club operation, a discount store, or a fuel station or fuel station/convenience store
- textbook retail or wholesale store
- tattoo shop
- car wash or automotive repair
- employment agency for day labor

- mortuary or cremation
- newspaper or magazine printing, except editorial and administrative offices or retail copying and printing services
- dependent care center
- public bath
- blood bank and blood plasma center
- second-hand/used merchandise sales (except upscale consignment targeted towards University students)
- self-service laundry (except laundry facilities primarily for the use of Permitted Residents are permitted)
- public storage garages or facilities
- pharmacy
- any use which directly competes with the University's then existing retail or commercial enterprises
- no other educational use except as permitted by the University

Exhibit F

Applicable University Policies

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OPERATING
BETWEEN AGREEMENT
BOISE STATE UNIVERSITY
AND
EDR BOISE LLC
DATED _____, 2015

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[to be completed]

THIS OPERATING AGREEMENT (“**Agreement**”) is made _____, 2015 between the IDAHO STATE BOARD OF EDUCATION BY AND THROUGH BOISE STATE UNIVERSITY, a State of Idaho public institution of higher education (“**Landlord**” or the “**University**”) and EDR BOISE LLC, a Delaware limited liability company (“**Tenant**”), a Delaware limited liability company.

RECITALS

A. On _____, 2015, the Landlord and Tenant entered into that certain Lease of the Premises, as it may be amended, restated, supplemented, replaced or extended relating to the construction, use, possession, operation and management of a co-ed student housing facility to be known as “_____”.

B. On _____, 2015, the Landlord and Tenant also entered into an easement agreement allowing Tenant to construct and operate geothermal wells, pipes, lines, mains and conduits necessary for the operation of a geothermal heating and cooling system for the Premises on nearby University land (the “**Geothermal Easement**”).

C. Also concurrently with the execution of this Agreement, Guarantor has agreed to guarantee the covenants and obligations of Tenant under the Lease, the Geothermal Easement and this Agreement pursuant to a Guaranty dated as of the date hereof, by Guarantor in favor of the University (as amended, restated, modified or otherwise supplemented from time to time, the “**Guaranty**” and together with the Leases, Geothermal Easement, and any other agreements between the University and Tenant related to the Lease, collectively, the “**Related Agreements**”).

D. The University shall continue to operate the existing and future undergraduate residence halls located on its campus that are not developed pursuant to the Lease or otherwise by Tenant (such existing facilities, the “**University Facilities**”). The Premises and the University Facilities, comprise the “**On-Campus Student Housing**”.

E. All terms used herein but not defined shall have the meanings given to such terms in the Lease. In the event of any conflict between this Agreement and the Lease, the Lease shall be the controlling document.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth by each party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by each party hereto, the University and Tenant hereby agree as follows with the intent to be legally bound.

ARTICLE 1

TERM

The term of this Agreement shall be coterminous with the Lease. This Agreement may not be terminated except upon a termination of the Lease in accordance with the terms of the Lease.

ARTICLE 2

MANAGEMENT OF THE PREMISES

Section 2.01 Tenant's Management Discretion. Except as otherwise set forth in this Lease, Landlord agrees that so long as Tenant is acting in a good faith and a reasonable manner in the best interests of the operation of the Premises in accordance with the terms of this Lease and applicable University Policies, it shall not interfere with Tenant's decisions with respect to the enforcement of Permitted Leases, the operation of the Premises, and the determination of rental rates for the Premises.

Section 2.02 Advisory Committee. An advisory committee consisting of two (2) executives of Landlord and three (3) executives of Tenant will meet on a semi-annual basis to review the operations of the Premises and discuss the performance of the Premises, University activities affecting the Premises or Permitted Residents and any outstanding concerns of either Landlord or Tenant. The role of the Advisory Committee is to provide informed guidance on issues related to the parties and the Premises. The Advisory Committee shall also serve as the venue for negotiation in the first step of the formal dispute resolution process set forth in The Lease. The Advisory Committee should include individuals with decision making authority for their organization and persons who possess the background and skills to evaluate and make recommendations regarding the operation of the Premises.

Section 2.03 Management Agreement. Landlord agrees that the Premises may be operated for the purposes described in this Agreement under the terms of a management agreement not inconsistent with the terms of this Agreement and the Lease, under which a management company affiliated with, controlled by or under common control of the Tenant Parties (the "**Manager**") manages and operates the Premises for and on behalf of Tenant for a management fee equal to three percent (3%) of the Gross Revenue.

Section 2.04 Commercial Tenant Rent. Tenant shall determine the rental rates for the Commercial Tenants in a manner that takes into account the best interests of the Project and does not conflict with existing contracts between the University and such Commercial Tenant.

Section 2.05 Permitted Resident Rent. Tenant shall determine the rental rates for the Permitted Residents as set forth herein (the "**Resident Rent Rate**"). Landlord shall have the right to approve the initial Resident Rent Rate for the first year that the Premises are occupied, such approval not to be unreasonably withheld, conditioned or delayed. Thereafter, Tenant will determine the Resident Rent Rate acting in a good faith and a reasonable manner in the best

interests of the operation of the Premises in accordance with the terms of this Lease. The annual rate increases for the Resident Housing Fees may not increase by more than the greater of (a) four percent (4%) per year over the prior academic year's Resident Housing Fees; (b) the CPI Percentage Increase; and (c) the rate of increase at the University's other on-campus housing. In the event that Tenant unable or unwilling to implement a Resident Housing Fee increase equal to the maximum amount permitted in a given Fiscal Year, Tenant shall be permitted to increase the Resident Housing Fees in subsequent years in order to match the actual Resident Housing Fees to the Resident Housing Fees that would have resulted if Tenant had increased the Resident Housing Fees each year by the maximum amount permitted (a "**Resident Housing Fee Increase Catch-Up**"); provided that the amount of a Resident Housing Fee Increase Catch-Up in any given year shall not exceed six percent (6%) over the prior academic year's Resident Housing Fees.

Section 2.06 If Tenant determines a need for housing fee increases higher than permitted in Section 2.05 due to extraordinary increases in operating expenses, including but not limited to utilities and taxes or other circumstances reasonably deemed by Tenant to warrant an increase in the Resident Housing Fees, the Advisory Committee shall meet to consider such extraordinary increase in the Resident Rent Rate.

Section 2.07 In the event a dispute arises over whether Tenant has made such decisions in a good faith and reasonable manner in the best interests of the operation of the Premises in accordance with the terms of this Lease, the Advisory Committee shall meet and Tenant shall provide evidence to support such rental rate including, for illustrative purposes only, factors such as rates at other comparable universities including other facilities owned or managed by Tenant or Guarantor, local student housing market comparisons, actual financial performance of the Project compared to original financial projections and/or such other objective criteria upon which such rate is based.

Section 2.08 Permitted Leases. Residential Residents shall occupy the Premises pursuant to a written lease in the form agreed upon by Landlord and Tenant (the "**Permitted Residential Leases**"). Commercial Tenants shall occupy the Premises pursuant to a written lease, license or sublease as negotiated by Tenant and approved by Landlord (each, a "**Permitted Commercial Lease**" and together with the Permitted Residential Leases, the "**Permitted Leases**").

Section 2.09 Leasing.

(a) Coordination. The University and the Tenant agree to coordinate the leasing process for the Premises so as to provide all residents of the University's on-campus student housing with a seamless, uniform application and leasing experience. Students will pay the same application fees, security deposits and other fees assessed to on-campus student residents. In connection therewith, the University and Tenant will align their calendars with regard to the operation of the Premises and interaction with students.

(b) Availability. Tenant will identify and allocate rooms in the Premises to the Permitted Residents. Tenant will make the Premises available for housing Residential Residents

during the University's Academic Year and at Tenant's discretion, make the Premises available for rent to Residential Residents during the remaining months of the calendar year.

(c) Applications. The University shall administer and process all applications from potential residents of the Premises along with the other on-campus housing facilities and forward to Tenant all applications for the Premises. The University and Tenant shall require all potential residents to apply for housing by completing the University's standard housing application. Any application fees paid by Permitted Residents shall be included in the Gross Revenue and shall be an amount that is reasonable in comparison to other University fees and not so onerous as to discourage residence at the Premises.

(d) Room Assignments. The University and Tenant will jointly process and coordinate all room assignments for the Premises using the roommate matching program used by the University or otherwise approved by the University. Tenant will have access to the University's assignment software and Tenant will pay any costs associated with required licenses for the use of same.

(e) Student Rent Collection.

(i) The University agrees to collect all housing charges billed (A) by the Tenant to the Student Residents, including rent, fees, damage reimbursement and all other charges (the "**Student Resident Rent**") and (B) by the University to the residents of the University Facilities. The University shall bill Student Residents of the Tenant Facilities and residents of the University Facilities in the same manner, and the Tenants shall direct all residents of the On-Campus Housing to remit payment for Student Resident Rent directly to the University. The University, in accordance with its customary practices and procedures, shall collect all payments made on each Student Resident's account, including funds received from third party sources that are applicable to the payment of Student Resident Rent including, but not limited to, scholarships, financial aid, grants, student loans, stipends or GI bill benefits ("**Student Resident Rent Funds**").

(ii) The University will provide Tenant visibility as to the available Student Resident Rent Funds in the form of read-only online access to the Student Resident account balances so that Tenant has access to the status of collection of Student Resident Rent Funds at all times. The University agrees to use its reasonable best efforts to keep its systems updated in a timely manner so that the information reviewed by the Tenants reflects the most up to date collection information feasibly available.

(iii) On a weekly basis (the "**Payment Date**"), the University will deliver to Tenant by ACH transfer all Student Resident Rent Funds collected, with a roster supporting the payment and detailing any delayed payments that the University is aware of that are to be made on behalf of the student towards his or her Student Resident Rent. The University will also deliver to Tenant, by the fifth (5th) University Business Day of each month, a settlement statement containing monthly period-end reconciliation to balance with period close from the University's financial system. Tenant acknowledges and agrees that all payments made by a Student Resident to the University Bursar's Office shall be allocated to the Student

Resident's account in the following priority: (a) to unpaid tuition fees, whether owing for a prior semester or for an upcoming semester; (b) to unpaid mandatory student academic fees and other mandatory fees required for enrollment by any student at the University; (c) to Gross Revenue of the Premises; (d) to dining fees and related charges; and (e) to any other charges. For purposes of this Agreement, the term "**University Business Day**" means a normal University business day, not including Saturday, Sunday, any holiday observed by the University employee holiday, or any day on which the University is closed for any reason.

(iv) Tenant assumes all risk for non-payment by Permitted Residents. Tenant acknowledges that, so long as the University complies with its obligations to disburse Student Resident Rent Funds by the Payment Date and otherwise complies with this Section 2.09(e), Tenant shall have no recourse against the University for the failure of a Student Resident to pay rent when due and Tenant's sole recourse in the event of nonpayment of Student Resident Rent owed by a Student Resident under a Permitted Residential Lease shall be to proceed directly against the Student Resident as permitted by the terms of the Permitted Residential Lease, which shall contain provisions for eviction for nonpayment and other lease defaults. The failure of a student to pay sums due under a Permitted Residential Lease shall be a violation of the student code of conduct, entitling the University to set forth appropriate disciplinary procedures which shall include withholding access to grades and records until such sums are paid in full. Tenant may undertake such efforts as it deems appropriate to collect any unpaid Student Resident Rent, provided that any such efforts must be undertaken in the name of Tenant and not in the name of the University. Tenant may not, directly or indirectly, represent that any amount is owed to the University or that it is collecting any amount on behalf of or for the University. Without limiting any other indemnity provision herein, Tenant agrees to indemnify and hold harmless Landlord against any claim, loss, expense or damage incurred or suffered by the Landlord as a result of Tenant's collection efforts.

Section 2.10 Life, Safety and Fire Protection.

(a) Jurisdiction. The Premises shall be served by the Boise State University Campus Security & Police Services ("**University PD**") and the Boise Fire Department (the "**Fire Department**").

(b) Access. Tenant shall provide access to the Premises to the University PD and the municipal or county police force, as applicable (the "**Police Department**") and the Fire Department that is reasonable under the circumstances of the requested entry, including access to the public areas of the Premises at all times and access to areas leased to Permitted Tenants when needed to protect the safety or security of life or property. Tenant agrees to coordinate with the University PD, Police Department and Fire Department in the installation of a rapid entry system (e.g., a Knox-Box system) at the Premises.

(c) Inspections. The Fire Department shall be permitted to perform inspections of the Premises as provided under applicable law (including, but not limited to, applicable building and fire codes and the University's fire and life safety regulations, including codes or regulations promulgated by the Fire Department). Without limiting the generality of the foregoing, the Fire Department shall be permitted to (i) perform regular on-site inspections of the

Premises to assure compliance with applicable law during regular business hours and with reasonable advance notice to Tenant, except in the case of an emergency and (ii) observe and participate in routine, pre-announced fire drills conducted at the Premises by Tenant.

(d) Alarms. Tenant agrees to notify, or instruct its third party alarm operator to notify, the University PD in the event that a fire alarm is activated at the Premises in response to which the Fire Department is alerted to the alarm. Such notice shall be provided to the University PD contemporaneously with the notice provided to the Fire Department.

(e) 911 Databases. The University shall assist Tenant in coordinating the correct address for the Premises. Tenant shall be responsible for placing the address for the Premises in the proper 911 databases, and shall notify the University promptly after such placement has been completed.

(f) Video Security Measures. Tenant will cooperate with the University in keeping the campus and the Premises safe and secure, which cooperation shall include, but not be limited to, taking the following actions: (i) installing and maintaining cameras or other security devices in, on or around the Premises that have been selected by the University and which are compatible with the systems used by the University to provide remote video feed of other buildings on the University's campus, so long as such systems meet Tenant's standards and the approved Project Budget; (ii) connecting such exterior cameras and devices to the University's video and security monitoring systems; and (iii) permitting the University reasonable access to all video and other data streams produced by the interior cameras and other recording devices installed at the Premises. Landlord (i) acknowledges that Tenant will not monitor any video at the Premises and (ii) agrees that the University will be responsible for any license fees associated with the University's monitoring systems.

(g) Emergency "blue light" Phones. The University and Tenant will agree on the appropriate number of emergency "blue light" phones for the Premises. Tenant is responsible for the installation, cost and upkeep of all on campus emergency "blue light" phones, regardless of their location on the Premises.

Section 2.11 Residence Life.

(a) Residence Life Functions. The University will manage and provide resident life programming for Student Residents in a manner that ensures that the Student Residents are provided all the reasonable care, support and consideration that they receive in the University's other on-campus housing facilities. The Residence Life staff may include Hall Directors, Front Desk Staff, Resident Advisors, Senior Staff or other such staff members that the University determines to be in the best interest of residence life at the Premises (the "**Residence Life Staff**"). The Residence Life Staff who reside at the Premises will enter into a Permitted Resident Lease with Tenant and pay rent in the same amount and under the same conditions as the other Student Residents of the Premises. The Residence Life Staff will cooperate with Tenant in its marketing, operation and maintenance of the Premises and shall use their best efforts to assist Tenant in maintaining the Premises in a first class manner.

(b) Meetings. Tenant will designate a representative to attend and participate in regular status meetings with the University's residence life staff and with other University staff or committees as appropriate.

(c) Code of Conduct. Tenant will require Student Residents to adhere to the University's code of student conduct including termination of a student's residency at the Premises (but not such student's remaining rent obligations) based on behavior as determined by the University's student conduct process.

Section 2.12 Marketing. The University and Tenant agree that it is in the best interest of the students of the University and the operation of the on-campus student housing that each party cooperate in good faith to coordinate the marketing of the Premises along with the other on-campus housing so that they are presented uniformly to prospective students.

(a) Joint Marketing Materials. At Tenant's request, the University will include marketing information for the Premises in the published marketing materials produced by the University for the other on-campus housing facilities (the "**On-Campus Housing Marketing Materials**"). The University and Tenant shall cooperate in good faith to determine the contents of the marketing information for the Premises included in the On-Campus Housing Marketing Materials. Tenant and the University shall agree on a budget for the portion of On-Campus Marketing Materials allocated to the Premises and Tenant shall promptly reimburse the University for any such previously approved costs that are incurred by the University.

(b) Certain Marketing Efforts. Whether the marketing materials are joint, or Tenant provides its own marketing materials, at a minimum, the University shall:

(i) permit Tenant to display brochures and sales materials in the University's housing office and wherever else the University markets on-campus housing;

(ii) send emails to current, prospective and transfer students, forwarding Tenant's marketing materials for the Premises on Tenant's behalf to the same extent that the University sends emails to current, prospective and transfer students containing marketing materials for other on-campus housing; and

(iii) the University will work with Tenant to identify appropriate summer conferences or camps to support budgeted summer revenue targets and otherwise promote summer conference and camp business at the Premises on the same basis as other on campus housing options and entitle the Premises to offer use of other on campus buildings to summer conferences and camps on the same basis as other on campus housing.

provided that, in all cases, the marketing materials and distribution method shall be approved by the University.

(c) Website Links. The University shall provide current information regarding all On-Campus Housing Marketing Materials, including the Premises, on the University's housing website, including links to a webpage for the Premises.

(d) Tours. Tenant shall cooperate in good faith with the University's Visitor Center to allow access to the interior, common spaces of the Premises as part of the tours of the University's campus conducted by the University's Visitor Center. To the extent available, during such tours Tenant shall provide access to a bedroom in the Premises for purposes of allowing prospective students of the University to view the bedrooms at the Premises. If the University requires a model unit for tours, the rent due for such model unit will be deducted from the sums payable to the University.

(e) Marketing Events. The University and Tenant shall cooperate in good faith to market the Premises during recruiting events hosted by the University at which housing options are presented to prospective students. Such events include, but are not limited to, advising conferences, merit weekends and preview nights.

(f) Non-disparagement Agreement. Tenant and the University agree that in marketing the on-campus housing, whether jointly or separately, in written materials, electronic or website communications, at Premises tours, marketing events, or otherwise, the University and Tenant shall not, and shall cause their respective employees and agents to not, disparage or otherwise negatively portray any of the on-campus housing options.

Section 2.13 Student Amenities. Student Residents shall have the same access as residents of other on-campus housing to amenities, including the ability to purchase parking, provided by the University, including but not limited to athletic, recreational or study spaces and the University's bus or shuttle system, which shall serve the Premises.

Section 2.14 Tenant's Employee Parking. Tenant's staff shall have the same parking privileges as are available to University employees.

Section 2.15 On-Campus Dining. The Student Residents will be required by the University or permitted to use the existing University dining services upon the same terms and conditions as the student residents of other on-campus housing.

Section 2.16 Compliance with Landlord Contracts. Tenant's use of the Premises shall strictly comply with all terms of the contracts and agreements listed on **Exhibit ___** attached hereto, as the same may be amended, extended or renewed from time to time (the "**University Vendor Contracts**"). Landlord shall be permitted to add additional contracts to **Exhibit ___** upon thirty (30) days prior written notice to Tenant; provided, however, that Tenant shall not be required to comply with (a) any future amendments to the existing University Vendor Contracts or any future University Vendor Contracts, if such future amendment or future contract would cause a materially adverse economic impact on Tenant's Net Income under this Lease, unless Tenant consents in writing to comply with such future amendment or future contract.

Section 2.17 Information Technology.

(a) Video Services. Tenant shall provide video services to the Permitted Residents utilizing satellite dish technology selected by Tenant. Video signal will be provided to the Permitted Residents via the cable plant installed in the Premises by Tenant. Tenant shall be responsible for costs associated with the cabling plant, video headend equipment and distribution services required to provide video services to the Permitted Residents. Tenant shall maintain and update the video services provided to the Permitted Residents in accordance with its obligations to maintain the Premises in a Class A Condition. The University will coordinate with Tenant so that University developed programming or designated channels are provided to the Permitted Residents on the same basis as to other students housed on campus without additional charges or fees.

(b) Provision of Bandwidth to the Tenant Facilities.

(i) Tenant, at its sole cost and expense, shall install the pathway to connect the Premises to the existing campus infrastructure to the closest point of the connection to the Premises and agreed to by the parties; provided that any portion of such installation located outside of the Premises shall follow the pathway approved by the University in its sole and absolute discretion.

(ii) The University shall provide sufficient cabling infrastructure for analog telephone services for the Premises. The University will be responsible for extending the analog cabling to the point in the Premises referred to in the Plans as the DEMARC location. At Tenant's discretion, subject to the reasonable aesthetic concerns of Landlord, Tenant may rent portions of the Premises to a telecommunications company for the purpose of installing telecommunications equipment on the roof or otherwise at the Premises with all income therefrom accruing to the Premises.

(iii) The University shall provide at each building a minimum of one gigabit per second (Gbps) of bandwidth at no cost to the Tenant for Internet access to the Premises for use by the Permitted Residents and Tenant's staff. The University shall be responsible for the cost of the installation of fiber-optic cable and necessary switching equipment and to extend the campus network to the point in the Premises referred to in the plans for the Premises as the DEMARC location.

(iv) Tenant shall provide bandwidth for Internet access throughout the Premises starting at the DMARC location for use by the Permitted Residents and the Tenant's staff or Tenant may choose to provision bandwidth from a third party provider or to purchase bandwidth through Landlord using established pricing via State contracts. Tenant shall be responsible for costs associated with fiber and cabling plant within the Premises, data headend equipment and distribution services required to provide Internet access to the Permitted Residents (including upgrades and replacements). Tenant shall also be responsible for providing all internet, wireless internet and television support services to the Permitted Residents.

(c) Information Technology Support.

(i) The University's information technology department ("University IT") and Tenant shall cooperate to mutually develop and follow procedures that provide an environment for technical support of the Internet system at the Premises to the residents.

(ii) Tenant will provide the first line support for all calls for (A) all information technology provided to the Permitted Residents at the Tenant Facilities, including Internet system, surveillance system, audio visual, and television support; and (B) and Tier Two support for the Internet system for the University Reserved Space; and any other multi-purpose space in the Premises where official course and other instruction is conducted by University faculty and personnel.

(iii) University IT personnel will provide the first line support for all technology located in (A) the University Reserved Space; and (B) any other multi-purpose space in a Tenant Facility where official course and other instruction is conducted by University faculty and personnel, but only during such times that such course or other instruction is being conducted.

(d) Information Technology Governance.

(i) University IT and the Tenant shall share information regarding student satisfaction related to technology services at the Premises. University IT and the Tenant shall cooperate to develop a mutually acceptable and consistent approach for collecting that data, which may include conducting an annual student satisfaction survey to obtain student input regarding technology service levels.

(ii) University IT and the Tenant will meet annually to assess the service level metrics for the Internet system and student satisfaction with the technology experience at the Premises.

(iii) Tenant shall be responsible for managing the resolution of alleged violations of the Digital Millennium Copyright Act ("DMCA") by Permitted Residents of the Premises. The Tenant, and any third party service-provider of the Tenant, shall cooperate with and assist University IT in the resolution of such alleged violations, and shall take appropriate actions in connection therewith, including, but not limited to, removing the internet access of a Permitted Resident against whom a DMCA violation has been alleged, and restoring the internet access of such Permitted Resident following the resolution of the alleged DMCA violation.

(e) Access Card Reader and Electronic Locks. Tenant shall install and maintain the card reader access and electronic lock technology system for unit entry locks, exterior access and any other portions of the Premises that should be secured. To the extent practicable, Tenant will coordinate card access with the University's card access system to minimize the number of cards required for access to on campus buildings.

Section 2.18 Public Relations. Tenant and the University's public relations department will cooperate with one another regarding the dissemination of information about the Premises, Tenant or the University. The University recognizes that Tenant is part of a public company with frequent reporting requirements. The University and Tenant will not intentionally disclose information known to be damaging to the other. The University and Tenant will identify to the other party any information that is sensitive, confidential or potentially damaging to it and neither party will disclose such information without consulting with the other party.

Section 2.19 Postal and Parcel Delivery Services. The University and the Tenant shall cooperate in good faith in providing postal and parcel delivery services to Permitted Residents of the Premises.

Section 2.20 Pest Control. Tenant acknowledges that pest control prevention and an immediate response in the event of infestation, particularly with respect to members of the cimicidae family, commonly referred to as bed bugs, is critical to ensuring a clean, healthy environment for Permitted Residents of the Premises. Tenant agrees to establish a qualified third party pest control contract with a contractor that is certified in handling all pests and has a record of success in handling any particular pest problem at issue in the Premises. If desired by Tenant, the University agrees to cooperate in good faith to assist Tenant in establishing an independent contract with the University's third party pest control vendor.

Section 2.21 Other Services Provided by the Tenants.

(a) Laundry Services. Laundry services shall be provided to Student Residents for the same fees, if any, as charged to other residents of on-campus student housing. In the case that students are charged for laundry services, and if desired by Tenant, the University agrees to cooperate in good faith to assist Tenant in establishing an independent contract with the University's (current or future) third party laundry vendor. Tenant agrees to use its reasonable best efforts to structure the laundry machines in the Premises to accept a Student Resident's University identification card in order to access the cash account maintained by the University on behalf of the student (the "**University ID**"). Regardless of the method of payment, all laundry fees and any other revenue or savings generated by the laundry services provided by Tenant are the property of Tenant and no portion shall be paid to the University. The University shall remit the laundry machine revenues collected through the University ID to Tenant on a quarterly basis.

(b) Beverage Machines. Tenant agrees to use its reasonable best efforts to structure the beverage machines in the Premises to accept the University ID. Regardless of the method of payment, all beverage machine fees and any other revenue or savings generated by the beverage services provided by Tenant are the property of Tenant and no portion shall be paid to the University. The University shall remit the beverage machine revenues collected through the University ID to Tenant on an annual basis.

ARTICLE 3

INDEMNITY

Section 3.01 Tenant's Indemnification of Landlord.

(a) Tenant shall defend with competent counsel, indemnify and hold harmless the University, and its trustees, officers, agents, employees and affiliated and support entities from and against any and all liabilities, obligations, losses, damages, fines, penalties, claims, demands, costs, charges and expenses, including, without limitation, reasonable fees of architects, engineers, consultants and attorneys and costs associated with administrative and judicial proceedings incurred by Landlord as a result of Tenant's breach of its obligations under this Lease, which may be imposed upon, incurred by or asserted against Landlord in connection with any of the following (collectively, the "**Claims**"):

(i) Any work done in, on or about the Premises;

(ii) Any use, non-use, possession, occupation, condition, operation, maintenance or management of the Premises, except where such claims are a result of the acts or omissions of Landlord or its agents, concessionaires, contractors, servants or employees;

(iii) Any act or omission of Tenant or any of its agents, concessionaires, contractors, servants, employees, or invitees, Landlord or its agents, concessionaires, contractors, servants or employees;

(iv) Any accident, injury or death to any person or damage to any property occurring in, on or about the Premises or the Construction Easement Areas, except resulting from the acts or omissions of Landlord or its agents, concessionaires, contractors, servants or employees; or

(v) Any failure by Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations in this Lease required by the provisions of this Lease to be complied with or performed by Tenant.

Section 3.02 Survival. The provisions of this Article shall survive the expiration or earlier termination of this Lease with respect to events, acts or omissions during Tenant's Use Period.

ARTICLE 4

DISPUTE RESOLUTION

The dispute resolution procedures in the Lease shall govern any disputes related to this Agreement.

ARTICLE 5

DEFAULT

Section 5.01 Tenant Events of Default. Any one or more of the following events shall constitute an event of default of Tenant under this Lease (a “**Tenant Event of Default**” or “**Tenant Default**”):

(a) Tenant’s failure to observe and perform any of the other terms, covenants, conditions, limitations or agreements under this Lease on Tenant’s part to be observed or performed and the continuation of the failure for a period of thirty (30) days after notice from Landlord to Tenant specifying the nature of the failure; provided that if the default involved is curable but not within thirty (30) days, then so long as Tenant shall commence the cure involved within such thirty (30) day period after notice and thereafter diligently pursue completing the cure, the time within which such cure must be completed shall be extended for the period necessary to complete the cure

Section 5.02 Chronic Default. Tenant shall be deemed in “**Chronic Default**” under this Agreement if Tenant, more than three (3) times in any twenty-four (24) month period, fails to observe and perform any other terms, covenants, conditions, limitations or agreements under this Agreement on Tenant’s part to be observed or performed (regardless of whether Tenant has timely cured). If Tenant is in Chronic Default, then Landlord shall be permitted to declare a Tenant Event of Default by providing written notice to Tenant and Tenant shall have no further cure periods for such default.

Section 5.03 Remedies on Tenant Default. The remedies for default shall be as set forth in the Lease.

ARTICLE 6

MISCELLANEOUS

Section 6.01 University Accreditation. Tenant agrees to (a) cooperate with the University in the University’s accreditation process and (b) take all actions and do all things necessary to ensure that its possession, use, operation and management of the Premises does not negatively affect the University’s accreditation.

Section 6.02 Conditions Precedent. The effectiveness of this Agreement shall be subject to the approval of the Idaho Board of Education and any additional consents or approvals required by legislation and regulations governing Landlord.

Section 6.03 Force Majeure. Neither Landlord nor Tenant shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Lease, for any failure or delay in fulfilling or performing any term of this Lease, when and to the extent such failure or delay is caused by or results from Force Majeure. For purposes of this Agreement, Force Majeure means any event or condition beyond the reasonable control of a party which, despite its

reasonable efforts to prevent, avoid, delay or mitigate, prevents, impacts or delays a party from performing its obligations under this Lease. Force Majeure includes, but is not limited to: (a) acts of God; (b) flood, fire, hurricane, earthquake or unusually severe weather; (c) epidemic or quarantine; (d) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, explosion, riot or other civil unrest; (e) government order or law; (f) actions, embargoes or blockades in effect on or after the date of this Agreement; (g) action by any governmental authority; (h) national or regional emergency; (i) strikes, labor stoppages or slowdowns or other industrial disturbances; (j) shortage of adequate power or transportation facilities; (k) significant change in the economic condition of a party related to market forces or unforeseen loss of government funding beyond the control of such party and not proximately related to such party's own actions; (k) significant increases in the price of construction labor and materials prior to commencement of the Project that are greater than the average annual increases in the last ten years; (l) failures in the banking and financial systems of the United States; and (m) other events beyond the reasonable control of the party impacted by the Force Majeure Event (the "**Impacted Party**"). The Impacted Party shall give notice as soon as practicable but in any event, within ten (10) business days of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Force Majeure events shall not excuse Tenant from the prompt payment of Rent as required under this Lease.

Section 6.04 Relationship of the Parties. This Lease shall not be deemed or construed to create or establish any partnership or joint venture or similar relationship or arrangement between the parties.

Section 6.05 Authorized Representatives. Tenant hereby appoints the following as its respective Authorized Representatives during Development of the Project: Thomas Trubiana and Steven Schnoor, and for the Management of the Facilities, Christine D. Richards, each of whom may act individually, and such other persons as may be appointed in writing by them from time to time and with prior written notice of such appointment provided to Landlord. Landlord hereby appoints _____ as its Construction Coordination Authorized Representative and such other individual as may be appointed by Landlord from time to time.

Section 6.06 Notices. Any notice, request or other communication given or made hereunder ("**Notice**") shall be in writing and sent by either of the parties or their respective attorneys by any of the following means: (i) by registered or certified mail, return receipt requested, postage prepaid, (ii) by personal delivery, (iii) by recognized overnight delivery service for overnight delivery or (iv) by facsimile or e-mail, provided, however, that notice by facsimile or e-mail shall be promptly supplemented by delivery of notice as provided in (iii) above. Any such Notice shall be addressed to the other party at the mailing addresses, facsimile numbers or e-mail addresses set forth below, or to such other mailing addresses, facsimile numbers or e-mail addresses for each party as each party may hereafter designate by Notice given to the other party pursuant to this Section:

To Landlord/University:

Boise State University
Office of General Counsel
Attention: Kevin Satterlee
1910 University Dr.
Boise, ID 83725-1002

With a Copy to:

Boise State University
Real Estate Services
Attention: Jared Everett
1910 University Dr.
Boise, ID 83725-1247

To Tenant: Education Realty Trust, Inc.
999 South Shady Grove Road, Suite 600
Memphis, Tennessee 38120
Attention: President and General Counsel
Telephone: (901) 259-2500
Facsimile: (901) 259-2594

With a copy to (which shall not constitute Notice):

Martin, Tate, Morrow & Marston, P.C.
6410 Poplar Avenue, Suite 1000
Memphis, Tennessee 38119
Attention: Clayton C. Purdom
Telephone: 901-522-9000
Facsimile: 901-527-3746
Email: cpurdom@martintate.com

Section 6.07 Access to Records; Public Records Law. The parties hereto acknowledge that Idaho Public Records Law, Idaho Code Sections 9-337 through 9-348, allows the open inspection and copying of public records. Public records include any writing containing information relating to the conduct or administration of the public's business prepared, owned, used or retained by a State agency regardless of physical form or character. Accordingly, certain Information may be public record subject to disclosure under the Idaho Public Records Law. Information Tenant considers exempt under the Public Records Law or otherwise protected by disclosure, must be marked as "exempt" or "trade secret" on **EACH PAGE** containing such information. Only those pages identified as "trade secret" or otherwise exempt from disclosure will be exempt from disclosure and the University will honor such nondisclosure to the extent permitted by law. All other pages of the proposal will be released without review. The exemption for "trade secrets" and other exemptions from the Public Records Law are limited and information will be exempt from disclosure only to the extent the content meets the definition of trade secret or other applicable exemption in the Public Records Law. Accordingly, the

University cannot guarantee information marked as “trade secret” or “exempt” will be exempt from disclosure. In addition, certain documents and materials may be required to be publicly disclosed and available for the purpose of presentation to and meetings of the Idaho State Board of Education. Tenant acknowledges such Information shall be public to the extent required by applicable laws, regulations and policies of the Idaho State Board of Education and consents to disclosure of such Information.

Section 6.08 Confidentiality. Subject to Section 6.01, the parties acknowledge that certain matters relating to this Agreement and the information related thereto, including without limitation any information relating to parties or their affiliates and all student records maintained by the University that are protected by the Family Rights and Education Privacy Act (FERPA), Idaho state law and/or University regulations,, collectively (the “**Information**”), are confidential in nature. To the extent permitted by law, the parties covenant and agree to keep the Information confidential and will not (except as required by applicable law, regulation, or legal process, and only after compliance with provisions hereof), without the prior written consent of the other party, disclose any Information in any manner whatsoever; provided, however, that the Information may be revealed only to a party’s key employees, legal counsel and financial advisors (collectively, “**Contract Parties**”, and each individually “**Contract Party**”), each of whom shall be informed of the confidential nature of the Information, shall agree to act in accordance with the terms hereof, and shall agree to use the Information solely for the purpose of evaluating the transaction contemplated in this Agreement. In the event that a party or Contract Parties are requested pursuant to, or required by, applicable law, regulation or legal process (collectively “**Applicable Law**”) to disclose any of the Information, the applicable Contract Party shall notify the other party promptly so that such party may seek a protective order or other appropriate remedy (collectively “**Remedy**”) or, in the affected party’s sole discretion, such party may waive compliance with the terms hereof; provided, however, that the Remedy must be of a nature that a Contract Party’s failure to disclose the information will not place the Contract Party in violation of Applicable Law or otherwise expose the Contract Party to any liability for failure to disclose the Information as required by Applicable Law, and, provided further, that the Remedy must be secured not later than forty-eight (48) hours in advance of the deadline for disclosure of the Information in compliance with Applicable Law. In the event that no Remedy is obtained, or that the affected party waives compliance with the terms hereof, the Contract Party may furnish only that portion of the Information which it is advised by counsel is legally required and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Information. Each party shall be responsible for any breach of the covenants in this Section by any Contract Party.

Section 6.09 Non-Recourse Agreement; No Recourse to State of Idaho General Fund Appropriations. No funds of the State of Idaho shall be used for any University obligation set forth in this Lease, including without limitation termination fees set forth in Article 26, or any payment or damages required of the University in case of default hereunder. In no case shall the University have any obligation or liability under this Agreement in any given year of the Term in excess of the revenues from the Project for such year (“**Annual Project Revenues**”), except for the payment of the Early Termination Fee upon termination of the Term, which may be paid by revenues from the Project escrowed for such event, general revenues of the University, or by

another third party operator of the Project, but in no case by appropriations or other funds of the State of Idaho.

Section 6.10 Interpretation. Unless otherwise specified herein: (a) the singular includes the plural and the plural the singular; (b) words importing any gender include the other genders; (c) references to persons include their permitted successors and assigns; and (d) the headings of articles and sections contained in this Lease are inserted as a matter of convenience and shall not affect the construction of this Lease. The parties have jointly, with the advice and assistance of their respective legal counsel, participated in the negotiation and drafting of all of the terms and provisions of this Lease, and, accordingly, it is agreed that no term or provision of this Lease shall be construed in favor of or against any party by virtue of the authorship or purported authorship thereof by any party.

Section 6.11 Applicable Law. This Lease shall in all respects be governed by, and construed in accordance with the laws of the state in which the Premises are located. Venue for purposes of any actions brought under this Lease, or under any agreement or other document executed in conjunction herewith, shall be in the courts of Ada County, Idaho and the parties hereby irrevocably consent to the jurisdiction and venue of such courts.

Section 6.12 Amendment and Waiver. This Lease may be amended or changed only by written instrument duly executed by Landlord and Tenant and any alleged amendment or change which is not so documented shall not be effective as to either. The failure of either to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

Section 6.13 Severability. If any provision of this Lease or the application thereof to any person, entity or circumstance shall, for any reason and to any extent, be invalid or unenforceable but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties hereto as contained herein by invalidating an essential term, including but not limited to: the provision of student housing services by Tenant, the payment of Rent to the Landlord by Tenant, and the payment of the Early Termination Fee by Landlord to Tenant in the case of early termination for any reason, the remainder of this Lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

Section 6.14 Entire Agreement; Further Assurances. This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between Landlord and Tenant with regard to the matters set forth herein, including, but not limited to, the financial obligations relating thereto, and there are no covenants promises, agreements, conditions, or understandings, either oral or written between them as to these matters, other than as are set forth herein. The recitals, schedules and exhibits attached hereto or referred to herein are hereby incorporated herein and made a part hereof. At any time or times after the date hereof, each party shall execute, have acknowledged, and delivered to the others any and all instruments, and take any

and all other actions, as the other parties may reasonably request to effectuate the transactions described herein.

Section 6.15 Multiple Counterparts. This Lease may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

Section 6.16 Successors and Assigns. This Lease shall be binding on, and shall inure to the benefit of, the parties hereto and the parties' respective permitted successors and assigns.

Section 6.17 No Third Party Beneficiaries. Nothing in this Lease shall be construed to permit anyone other than Landlord and Tenant and their respective successors and permitted assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of action (as a third party beneficiary or otherwise) on account of any nonperformance or performance hereunder.

Section 6.18 No Personal Liability. No officer, official, employee, agent or representative of either party shall be personally liable to the other party or any successor in interest, in the event of any default or breach by the party for any amount which may become due to the other party or any successor in interest, or on any obligation incurred under the terms of this Lease.

Section 6.19 Officials, Agents and Employees of State of Idaho Not Personally Liable. It is agreed by and between the parties that in no event shall any official, officer, employee or agent of the State of Idaho be in any way liable or responsible for any covenant or agreement contained in this Lease, express or implied, nor for any statement, representation or warranty made in or in any way connected with this Lease Agreement or the Premises. In particular, and without limitation of the foregoing, no full-time or part-time agent or employee of the State of Idaho shall have any personal liability or responsibility under this Lease Agreement, and the sole responsibility and liability for the performance of this Lease Agreement and all of the provisions and covenants contained in this Lease Agreement shall rest in and be vested with the Landlord.

Section 6.20 Nondiscrimination. Tenant hereby agrees to perform all of its obligations related to this Lease without discrimination on the basis of race, color, national origin, religion, sex, age, physical/mental impairment, and to comply with all relevant sections of: Title VI of the Civil Rights Act of 1964, as amended; and The Age Discrimination Act of 1975; and to comply with pertinent amendments to these acts made during the term of this Lease Agreement. Tenant further agrees to comply with all pertinent parts of federal rules and regulations implementing these acts. Tenant hereby agrees to provide equal employment opportunity in employment and not to discriminate on the basis of race, color, national origin, religion, sex, age, physical/mental impairment, and covered veteran status to the extent required by applicable law.

Section 6.21 Construction or Renovation of Buildings. All buildings owned or maintained by any State government agency or entity, or which are constructed or renovated specifically for use or occupancy by any such agency or entity shall conform to all existing state

codes, including but not restricted to, the Idaho General Safety and Health Standards, the International Building Code, the International Mechanical Code and the International Fire Code. If any conflict arises between applicable codes, the more stringent code shall take precedence. Prior to construction or remodeling of such buildings, where appropriate, construction plans shall be reviewed and approved by the Division of Building Safety, the State Fire Marshal's Office and the Permanent Building Fund Advisory Council.

Section 6.22 Long Term Energy Costs. Long-term energy costs, including seasonal and peaking demands upon the suppliers of energy, are to be a major consideration in the construction of the Improvements. Special attention shall include energy conservation considerations including: (i) Chapter 13 of the International Building Code, 2000 Edition; (ii) use of alternative energy sources; (iii) energy management systems and controls to include effective means to monitor and maintain systems at optimal operations; and (iv) "state-of-the-art" systems and equipment to conserve energy economically.

Section 6.23 Non-Smoking Buildings. All Improvements shall be designated as "non-smoking" except for custodial care and full-time residential facilities. The policy governing custodial care and full-time residential facilities may be determined by the directors of such facilities.

Section 6.24 Utility Information. Tenant agrees to provide Tenant with ongoing permission to access the utility information of the building to determine the amount of electricity and heating fuel consumed within the Premises. If Landlord is not able to access this information directly from the utility companies, Tenant agrees to furnish said information to Landlord upon request on a calendar year basis.

Section 6.25 Indoor Air Quality. Tenant agrees to develop and maintain an indoor air quality management program and to maintain it in conjunction with all construction projects in the Premises as well as on all ongoing maintenance and repairs of the Premises. Said program shall optimize and document the use of air quality compliant materials inside the Improvements to reduce the emissions from materials used in the Improvements. Ongoing indoor air quality requires the use of low or no VOC paints, solvents, adhesives, furniture and fabrics. VOC and chemical component limits shall not exceed Green Seal's Standard GS-11 requirements. Paints used on site shall be low VOC and are to be brush-applied only, spray painting is not allowed on the interior of the Building. Carpet must meet the requirements of the CRI Green Label Plus Carpet Testing Program. Carpet cushion must meet the requirements of the CRI Green Label Testing Program. Composite panels and agrifiber products must not contain added urea-formaldehyde resins. Laminate adhesives used to fabricate on-site and shop applied assemblies containing these laminate adhesives must contain no urea-formaldehyde.

Section 6.26 REIT Status. Landlord recognize that Tenant is owned directly or indirectly by a real estate investment trust ("REIT") and that such REIT must comply with a number of restrictions under the Internal Revenue Code (the "Code") to maintain its status as a REIT under Section 856 of the Code. Landlord agrees that Tenant will operate in a manner that will permit it to comply with all of the requirements necessary to enable the Tenant Parties to qualify as a REIT for U.S. federal income tax purposes. Landlord agrees that it shall not take

any action which would cause any of the income derived by Tenant to fail to qualify as “rents from real properties” or as other qualifying income under Section 856(c)(2) of the Code without the express written approval of Tenant.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

Section 7.01 Representations and Warranties of Tenant.

(a) Tenant represents and warrants to Landlord that (i) Tenant is a limited liability company validly existing and in good standing under the laws of the State of Delaware, duly qualified and in good standing under the laws of the state in which the Premises is located, and has all requisite power and authority to carry on its business as now conducted and to execute, deliver and perform this Lease; (ii) the execution, delivery and performance of this Lease is within its power, has been authorized by all necessary action and does not contravene any provision of its certificate formation and operating agreement in effect on the date hereof; (iii) this Lease has been duly executed and delivered by an authorized person of Tenant; (iv) this Lease, assuming that it has been duly and validly executed and delivered by Landlord, is the valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, subject to general equitable principles and applicable provisions of law related to bankruptcy, insolvency and creditors’ rights generally; (v) the execution, delivery and performance by Tenant of this Lease does not conflict with or result in a breach of any of the provisions of, or constitute a default under, any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Tenant, its activities or property is bound or any applicable law or order, rule or regulation of the court or governmental authority having jurisdiction over Tenant, its activities or property; (vi) as of the Rent Commencement Date, neither Tenant nor, to the knowledge of Tenant, Parent or Guarantor, has any current plans, or is party to any discussions, which would relate to or would result in (A) a Change of Control of Tenant, Parent or Guarantor, (B) the assignment or sublease of this Lease or (C) a sale or transfer of all or substantially all of the assets of Tenant, Parent or Guarantor; (vii) there are no lawsuits, claims, suits, or legal, administrative or other proceedings or investigations, civil or criminal, pending or, to Tenant’s knowledge, threatened against or affecting Tenant, nor to Tenant’s knowledge, is there any basis for any of the same; and there is no action, suit or legal, administrative or other proceeding pending or, to Tenant’s knowledge, threatened which questions the legality or propriety of the transactions contemplated by this Lease; and (viii) no order, permission, consent, approval, license, authorization, registration or filing by or with any governmental authority having jurisdiction over Tenant, its activities or property is required for the execution, delivery or performance by Tenant of this Lease.

Section 7.02 Representations and Warranties of Landlord. Landlord represents and warrants to Tenant that (i) it is an agency and instrumentality of the State of Idaho, is qualified to transact business in Boise, Idaho, and has all requisite power and authority to carry on its business as now conducted and to execute, deliver and perform this Lease; (ii) the execution, delivery and performance by Landlord of this Lease is within its power, has been authorized by

all necessary action and does not contravene any provision of its governing documents or legislative authority, as in effect on the date hereof; (iii) this Lease has been duly executed and delivered by an authorized person of Landlord; (iv) this Lease, assuming that it has been duly and validly executed and delivered by Tenant, is the valid and binding obligation of Landlord, enforceable against Landlord in accordance with its terms, subject to general equitable principles and applicable provisions of law related to public entities, bankruptcy, insolvency and creditors' rights generally; (v) the execution, delivery and performance by Landlord of this Lease do not conflict with or result in a breach of any of the provisions of, or constitute a default under, any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Landlord, its activities or property is bound or, in the good faith belief of Landlord, and excluding any provisions of this Lease that are limited by the extent to which they are permitted by Law, for which Landlord makes no representation or warranty, any applicable law or order, rule or regulation of the court or governmental authority having jurisdiction over Landlord, its activities or property; and (vi) no order, permission, consent, approval, license, authorization, registration or filing by or with any governmental authority having jurisdiction over Landlord, its activities or property is required for the execution, delivery or performance by Landlord of this Lease.

SIGNATURE PAGE TO OPERATING AGREEMENT BETWEEN BOISE STATE UNIVERSITY AND EDR BOISE LLC DATED _____, 2015

IN WITNESS WHEREOF, each of the Parties hereto has executed this Agreement as of the day and year first set forth above.

LANDLORD / UNIVERSITY

BOISE STATE UNIVERSITY

By: _____
Name: _____
Title: _____

TENANT

EDR BOISE LLC

By: _____
Name: _____
Title: _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

BOISE STATE UNIVERSITY

SUBJECT

2015 Boise State University (BSU) Campus Master Plan Update

REFERENCE

March 1997	1997 Campus Master Plan was presented to the Idaho State Board of Education (Board)
October 2005	2005 Campus Master Plan was presented to the Board
February 2008	Expansion of boundaries and Plan update was presented to the Board
April 2015	BSU 2015 Master Plan update presented to the Board

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code §33-112 and 33-4005

BACKGROUND/DISCUSSION

The 2015 Master Plan update was introduced at the April 2015 meeting; this is a follow-up to that presentation.

The current Master Plan was originally created in 1997 and updated in 2005 and 2008. In 2012, BSU introduced a new strategic plan, Focus on Effectiveness. In 2013, BSU determined an update to the Master Plan was needed to complement the new Strategic Plan, to inform appropriate BSU development in a new expansion area (bounded by University Drive to the North, Boise Avenue to the South, Capitol Boulevard to the West and Lincoln Avenue to the East); to update other campus development in response to the expanded planning area; and to accommodate housing and facilities to provide students with a richer on-campus living and student life experience. Ayers Saint Gross (ASG) from Tempe Arizona was selected through a qualification-based selection process and retained for the 2015 Master Plan update.

Many of the principles embodied in the new Master Plan update were established in the 2005/2008 updates. The most notable differences between the existing plan and proposed update are the inclusion of a new expansion area as defined above, the relocation of a portion of University Drive between Chrisway Drive and Lincoln Avenue, the creation of a new mall to allow for development of academic and administrative functions south of the existing main portion of campus, and the creation of a major pedestrian link between the campus main quad academic buildings and the academic and research buildings located south of University Drive. Housing has been added to the new expansion area in addition to academic, recreation and athletics facilities in the south campus area.

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The master planning effort was guided by a large steering committee comprised of BSU representatives as well as representatives from the community. ASG and university officials made several presentations of the draft update campus master plan to the university community (students, faculty and staff) and to nearby neighborhood residents throughout the planning process to solicit their input and responses to the Plan.

After Board approval, the Plan will be made available to the public through BSU's website and other publications. BSU staff will make a formal request to the Boise City Council to integrate this campus master plan update into the City's Comprehensive Plan.

IMPACT

This updated Master Plan will serve as the framework and guidelines for the development of the BSU campus through 2025 and beyond. This Plan will guide future property acquisitions, the function and location of new facilities, expansion of existing facilities and will inform utility and infrastructure projects.

ATTACHMENTS

Attachment 1 – Master Plan Drawing	Page 3
Attachment 2 – Phase 1 Master Plan Drawing	Page 4
Attachment 3 – Phase 2 Master Plan Drawing	Page 5
Attachment 4 – Phase 3 Master Plan Drawing	Page 6
Attachment 5 – Master Plan Rendering – View Looking East	Page 7
Attachment 6 – Master Plan Rendering – View Looking West	Page 8

STAFF COMMENTS AND RECOMMENDATIONS

Board approval of a campus master plan does not constitute authority nor permission, either expressed or implied, to proceed with any real property acquisition, planning and design, or facility construction. Board policies V.I. and V.K. (which includes Board approval of six year capital construction plans) must be complied with in order to implement the projects contemplated in a master plan.

Staff recommends approval.

BOARD ACTION

I move to approve Boise State University's 2015 Campus Master Plan update as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015**

BOISE STATE UNIVERSITY - Master Plan 2015 Update



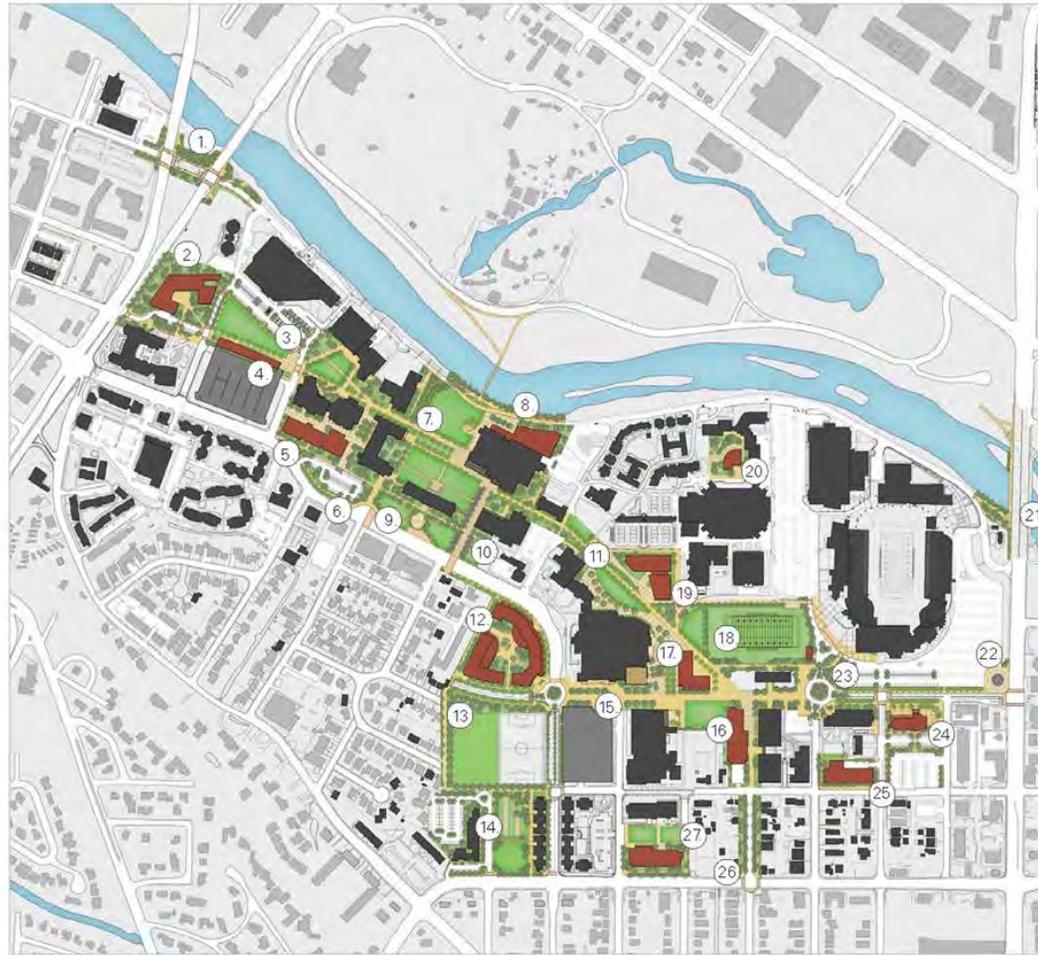
Master Plan Drawing

BUSINESS AFFAIRS AND HUMAN RESOURCES JUNE 18, 2015

BOISE STATE UNIVERSITY - Master Plan 2015 Update

PHASE 1

1. Royal Street Intersections + pedestrian improvements (ACHD)
2. Fine Arts Building
3. Arts Green (Greenhouses Relocated)
4. Academic Building
5. Academic Building (replace Campus School)
6. Administration-Visitor Parking
7. Expand Main Quad to Greenbelt (removes Riverfront Hall)
8. Albertsons Library Expansion + Riverview Terrace
9. Administration 'B' Plaza
10. Library Mall Pedestrian Path
11. Student Union Green + Central Ped-Bikeway
12. Live-Learn Residential Honors College + Freshman Housing
13. Student Recreation Field Expansion
14. Student Recreation Courts Expansion
15. University Drive Pedestrian Improvements
16. STEM-Academic Building
17. Student Services-Resources Building
18. Athletics Practice Field
19. Academic-Student Resources Buildings
20. Dining Hall Satellite
21. Broadway Bridge Replacement (ACHD)
22. Bronco Plaza
23. Improved Stadium Plaza + Round-about
24. Alumni Center
25. STEM-Academic Building
26. Beacon Street Pedestrian Crossing (ACHD) + Pedestrian-Bikeway connections
27. Health Sciences Building + Quad



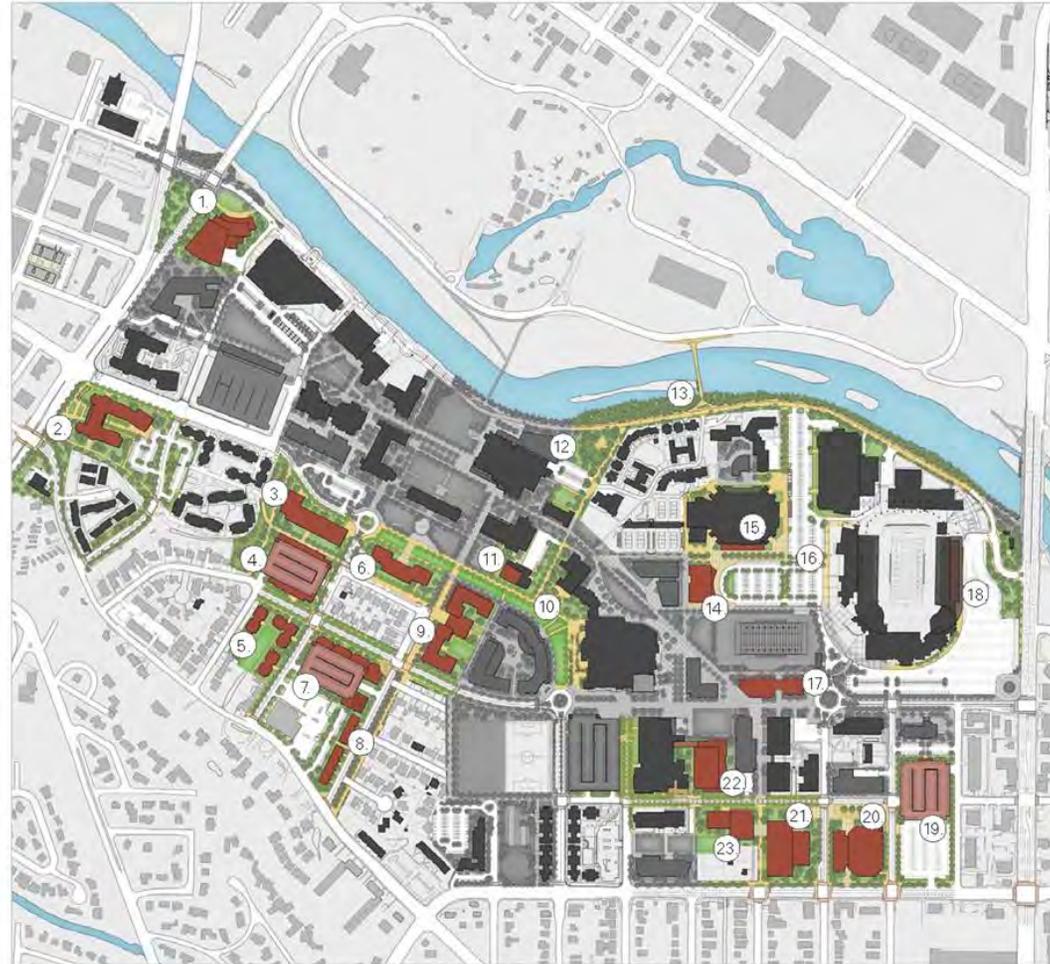
Phase 1 Master Plan Drawing

BUSINESS AFFAIRS AND HUMAN RESOURCES JUNE 18, 2015

BOISE STATE UNIVERSITY - Master Plan 2015 Update

PHASE 2

1. Music-Theater Performing Arts Center
2. Gateway Academic Building
3. Academic-Research Building
4. West Parking Garage
5. Student Housing Village
6. Administration Building
7. Center Street Garage + Student Life space + new Central Plant for the expansion area
8. Faculty, Staff or Graduate Townhomes
9. Live Learn Community
10. University Mall
11. Central Plant Expansion
12. Improved connection to the Greenbelt
13. New Pedestrian + Bike Bridge
14. Academic or Athletics Building
15. Taco Bell Entrance Improvements
16. Pedestrian Plaza + Crossings to Stadium
17. STEM-Academic Building
18. Stadium East Entrance Improvements
19. Broadway Parking Garage (Phase 1)
20. Olympic Sports Center
21. Natatorium
22. Recreation Center Expansion
23. Kinesiology Building + Quad Improvements



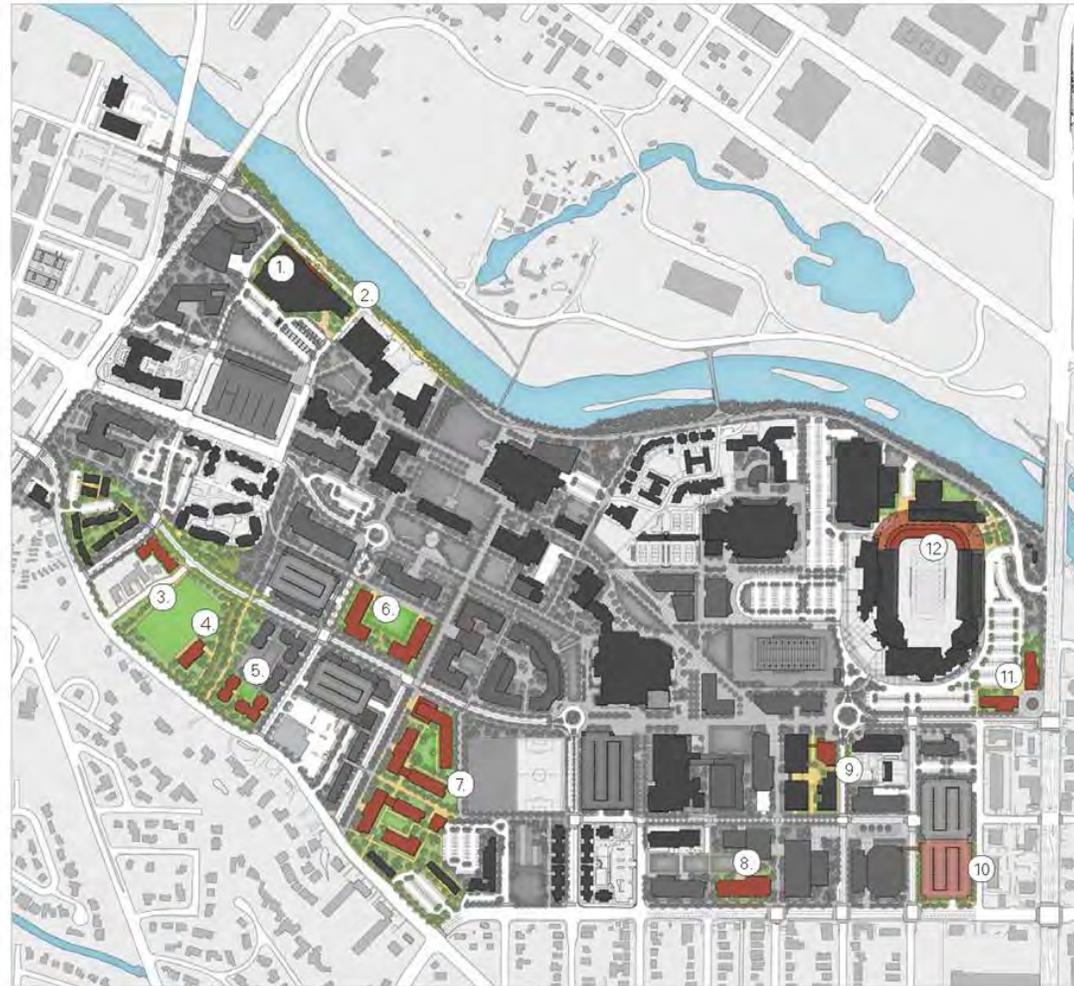
Phase 2 Master Plan Drawing

BUSINESS AFFAIRS AND HUMAN RESOURCES JUNE 18, 2015

BOISE STATE UNIVERSITY - Master Plan 2015 Update

PHASE 3

1. Improvements to Morrison Center, including relocating and expanding the Box Office
2. Cesar Chavez + Greenbelt Improvements including Morrison Center drop-off
3. Student Housing
4. Recreation Field + Pavilion
5. Student Housing Villages
6. Academic - Research Buildings + Quad
7. Student Housing (Freshman communities)
8. Health Sciences - STEM Building
9. Engineering Resources Building
10. Broadway Parking Garage (Phase 2)
11. Bronco Memorial Gateway Buildings
12. North Stadium Expansion



PHASE 3 IMPLEMENTATION PLAN, 2015

**BUSINESS AFFAIRS AND HUMAN RESOURCES
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BOISE STATE UNIVERSITY - Master Plan 2015 Update



MASTER PLAN, 2015 - VIEW LOOKING EAST

**BUSINESS AFFAIRS AND HUMAN RESOURCES
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BOISE STATE UNIVERSITY - Master Plan 2015 Update



MASTER PLAN, 2015 - VIEW LOOKING EAST

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

UNIVERSITY OF IDAHO

SUBJECT

Capital Project Authorization Request, Renovation and Modernization of the Wallace Residence Center, Planning and Design Phase

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.K.1 and V.K.4.

BACKGROUND/ DISCUSSION

The Wallace Residence Center was originally built in the mid-1960's, serving as one of the primary residential complexes for students over the last fifty years. The facility has twenty floors, arrayed in four wings, with each floor providing fourteen suites consisting of two rooms sharing a private bath. The facility has suffered from only limited renovations over the many decades, and is in a declining state. Student needs and expectations have changed drastically over the years, and the facility is long past due for modernization and improvements. The facility includes beds for roughly 800 – 900 students, depending on occupant arrangements. This represents over one third of our total residential capacity. The dated finishes and declining state of the facility are significant detractors in our enrollment efforts and must be improved.

Over the last several years, UI has undertaken small-scale improvements on a number of the floors of Wallace, with much of the work performed in-house. Improvements include abatement of asbestos containing flooring materials, demolition and construction of a new vanity cabinet and sink, replacement of numerous finishes including desktops, room doors, locks, and hardware, bathroom hardware and vents, all carpet in rooms, lounges, and hallways, refinishing of built-in casework, replacement of lighting with LED fixtures, and providing wall repairs and new paint throughout.

While a number of floors have been renovated or are in process, yet another twelve floors remain to be addressed. The University looks to contract out much of the remaining work, to more expeditiously complete these improvements for the balance of the complex in one combined capital project. This will have the added benefit of freeing UI's in-house crews to focus on more day to day needs of the facility. The work to be contracted will include all the work described above, with some additional work envisioned to include limited HVAC improvements in the lounges, and floor and wall tile refurbishment in the bathrooms.

The University seeks approval from the Board for adding this combined project to UI's six-year capital plan and approval of the planning and design phase for renovation and modernization of twelve floors in various wings of the Wallace

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

Residence Center. If authorized, UI will proceed through the design phase, and then seek further Regents' authorization of the project budget and subsequent construction of the tenant improvements.

IMPACT

In this phase of planning and design, the fiscal impact is estimated at \$250K, allowing for development of detailed specifications and construction bid documents, as well as refinement of a construction estimate through the course of design.

<u>Funding</u>		<u>Estimate Budget</u>	
State	\$ 0	Construction	\$ 0
Federal (Grant):	\$ 0	A/E & Consultant Fees	\$ 227,000
Other (UI reserves)	\$ <u>250,000</u>	Contingency	\$ <u>23,000</u>
Total	\$ 250,000	Total	\$ 250,000

The total fiscal impact of this project, if later approved for construction, is currently estimated at \$4.2M. The project funding for the planning and design is provided through university central reserves.

ATTACHMENTS

Attachment 1 – Updated Six-year Capital Plan	Page 5
Attachment 2 – Capitol Project Tracking Sheet	Page 6

STAFF COMMENTS AND RECOMMENDATIONS

UI intends to pay for this \$4.2M project out of reserves.¹ As of June 30, 2014, UI's Unrestricted Available Net Assets were \$15.5M, which left UI approximately \$2.9M short of the Board's strategic plan benchmark of net assets at 5% of operating expenses. Nevertheless, UI's Consolidated Financial Index (CFI) still came in at 3.56 which exceeds the CFI benchmark of 3.00. A CFI score of 3.00 is the threshold for institutional financial health.

Net asset balances are a snapshot in time and nearly an entire fiscal year has passed since the last reporting period. It is unknown how UI will end FY 2015 in terms of its net position. The Board will need to determine whether this project is of sufficient priority to potentially delay progress toward the strategic plan benchmark.

UI intends to use design-build to deliver the renovations at the Wallace Complex. Once a design-build team is selected, the negotiation of scope, schedule, quality and budget will result in multiple options to consider (e.g., 12 floors in one summer vs. 6 floors over each of two summers). In all cases, it is anticipated that UI will look to limit the work to summer(s) only.

¹ Note that in the subsequent agenda item (Library Renovation and Improvements) UI is budgeting approximately \$325,000 – also out of Central University Reserves.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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BOARD ACTION

I move to accept the University of Idaho's updated six-year capital plan to include the proposed renovation and modernization at the Wallace Residence Center.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve the request by the University of Idaho to implement the planning and design phase of a Capital Project for the renovation and modernization of the Wallace Residence Center. Authorization includes the authority to execute all necessary and requisite consulting contracts to fully implement the planning and design phases of the project. Construction Authorization will require a separate authorization actions at later dates to be determined.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015**

ATTACHMENT 1

**SET C: SIX YEAR CAPITAL IMPROVEMENT PLAN (Major Capital Projects)
FY 2016 THROUGH FY 2021
(\$ in 000's)**

Institution: University of Idaho

Project Title	Est. Cost	Prev. Fund.	FY 2016			FY 2017			FY 2018			FY 2019			FY 2020			FY 2021		
			PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total	PBF	Other	Total
Integrated Research and Innovation Center	51,88	51,800	In Construction as of 1 June 15																	
Education Building Renovation and Asbestos Remediation	17,160	17,160	In Construction as of 1 June 15																	
Aquaculture Research Facility	1,400	1,400	In Design as of 1 June 15																	
Idaho Law Learning & Justice Center, Boise *	7,600	7,600	In Construction as of 1 June 15																	
Admin Bldg Entry Foyer & Stair Life Safety Imp & Renovations	948	948	In Design as of 1 June 15																	
Janssen Engineering Building HVAC Upgrades, Ph 3	957	957	In construction as of 1 June 15																	
Northern Idaho Collaborative Education Facility	6,421	421	4,000	2,000	6,421															
Research and Classroom Facility	24,000	0				4,000		4,000	4,000	16,000	20,000									
Buchanan Engineering Lab Life Safety Improvements, Phase 2	902	0	902		902															
Life Sciences South Standby & Emergency Generator (Life Safety)	835	0	835		835															
Wallace Residence Center - Renovation and Modernization	4,200	0		4,200	4,200															
Executive Residence	tbd	0		1,950	1,950															
Library Main Floor Modernization	1,400			1,400	1,400															
WWAMI improvements in the previous Incubator Building	tbd			tbd	tbd															
Swim Center Replace Pool Gutters	560	0				960		960												
Ad Bldg Exterior Envelope Repair	985	0				985		985												
National Dairy Research Center	tbd	0					tbd	tbd												
Life Sciences South HVAC Upgrades, Phase 3	1,124	0							1,124		1,124									
Gibb Hall HVAC, Phase 2	1,122	0							1,122		1,122									
Administration Building HVAC, Phase 2	1,178	0										1,178		1,178						
Janssen Engineering Building HVAC, Phase 4	589	0										589		589						
Gibb Hall HVAC, Phase 3	1,178	0										1,178		1,178						
Idaho Avenue Extension Repairs and Repaving	844	0													844		844			
Domestic Water System Replace AC Mains, Phase 1	670	0													670		670			
Campus Drive / Administration Circle Repairs, Phase 1	742	0													742		742			
Steam Plant Emergency Generator	927	0													927		927			
Perimeter Drive Replace Paradise Creek Undercrossing	850	0																850		850
Undergraduate Housing - Phase 1	36,000	0																		
CALS Labs, Classroom & RE Improvements #	1,000	0																		
Chemistry & Physics Lab Improvements #	1,000	0																		
Library Special Collections and Archives #	1,000	0																		
McCall Campus Improvements	tbd	0																		
Research and Classroom Facility II	tbd	0																		
Varsity Soccer Pitch Upgrade	2,000	0																		
ROTC Facility	3,000	0																		
ASUI Kibbie Activity Center Seating Expansion #	27,000	0																		
Basketball Arena	30,000	0																		
	160,432	11,326	5,737	9,550	15,708	5,945	0	5,945	6,246	16,000	22,246	2,945	0	2,945	3,183	0	3,183	850	0	850

S:\Facilities\CapitalPlanning\Capital Budget\FY 16 State Request\Six Year Plan (Set C)\FY 2016 Six Year Plan.*

* PBF Request is under auspices of Department of Administration

Project is a component of the current Capital Project Development Campaign. Project schedule is TBD and dependent upon fundraising success.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015**

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of June 2015

History Narrative

- 1 **Institution/Agency:** University of Idaho **Project:** Planning and Design Phase Authorization, Renovation and Modernization of the Wallace Residence Center, Moscow
- 2 **Project Description:** Planning and Design Phase for a project to renovate and modernize twelve floors in various wings of the Wallace Residence Center. The project will include necessary demolition and replacement of a variety of interior finishes in hallways, lounge spaces, student rooms, and shared restrooms to modernize and improve the functionality of spaces.
- 3 **Project Use:** The Wallace Residence Center is the largest of the dormitories serving residential students at the University of Idaho.
- 4 **Project Size:** roughly 100,000 GSF

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other	Total Sources	Planning	Use of Funds Const	Other**	Total Uses
9 Initial Cost of Project. Planning and Design Phase Only	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 227,000	\$ -	\$ 23,000	\$ 250,000
10 History of Revisions:								
11								
12								
13								
14								
15								
16 Total Project Costs	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 227,000	\$ -	\$ 23,000	\$ 250,000

History of Funding:	PBF	ISBA	* Other Sources of Funds-----				
			Institutional Funds (Gifts/Grants)	Student Revenue	Other*	Total Other	Total Funding
20 Initial Authorization Request, Planning and Design Phase Only, June 2015	\$ -				\$ 250,000	\$ 250,000	\$ 250,000
21							
22							
23							
24							
25 Total	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000

27 * Central University Reserves
28 ** Design Contingency

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

UNIVERSITY OF IDAHO

SUBJECT

Capital Project Authorization Request, Finance Plan and Construction Phase Authorization, University of Idaho Library Renovation and Improvements

REFERENCE

February 19, 2015 Approval by the Board of Regents for design and planning phase expenditures up to \$249,900.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedure, Section V.K.1, and Sections V.K.3.b and V.K.3.c.

BACKGROUND/ DISCUSSION

The University of Idaho (UI) requests authorization to proceed with the finance plan and construction phase of a Capital Project to provide for renovations and improvements to the University of Idaho Library (Library). This project is necessary to allow the Library to adapt to rapidly evolving and changing pedagogies in Library Science, technology driven changes in the delivery of content and information, and evolving expectations of Library customers and stakeholders.

The scope of the project includes:

- Renovations and improvements to the first floor of the Library. Approximately 28,000 sf of area will be renovated and refreshed.
- Reconfiguration of the first floor layout to provide for additional open space and maximize access to north light in public areas.
- Addition of customer service features such as a small coffee bar and access to technology.
- The provision of additional interactive and collaborative, team learning spaces.
- The relocation of Collection and Archive spaces as the first step in what is anticipated to be a phased, iterative set of improvements to the special collection and archive functions.
- An update of the overall library experience.

The project is consistent with the strategic goals and objectives of UI and of the Library. The project is fully consistent with UI's strategic plan (Goal One, Teaching and Learning Activity; Goal 2, Scholarly and Creative Activity, Goal 3, Outreach and Engagement and Goal 4, Community and Culture), and UI's Long Range Capital Development Plan.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

IMPACT

The total project effort is currently estimated at \$1,300,000, to include design and construction costs and appropriate and precautionary contingency allowances.

Overall Project

<u>Funding</u>		<u>Estimate Budget</u>	
State	0	A/E & Consultant Fees	\$ 152,900
Federal (Grant):	0	Construction	875,000
Other (UI)		Construction Cont.	87,500
Central University	324,735	Data Infrastructure	
Library Reserves	656,265	& Support	91,350
Gifted Funds	<u>319,000</u>	Project Cont.	<u>93,250</u>
Total	<u>\$1,300,000</u>	Total	<u>\$ 1,300,000</u>

Funding for this project is to be provided through the use of central university strategic investment funds and library reserve funds specifically set aside for this effort, supplemented by gifted funds developed during UI's Capital Campaign.

It is the intent of the UI to advertise for bids immediately upon receipt of the requested authorization for the construction phase and to begin construction work during the summer of 2015. Construction is planned to continue through the end of 2015 with a planned opening of the renovated first floor of the Library early in the spring 2016 academic semester.

ATTACHMENTS

Attachment 1 – Capitol Project Tracking Sheet

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

In February 2015 the Board authorized UI to begin planning and design for this project. This request is for acceptance of the Finance Plan and Capital Project Authorization to bid and construct the project. Estimated project cost was originally \$1.4 million, but has dropped by \$100,000 during the design phase.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to accept the Finance Plan and to implement the bidding and construction phases of a Capital Project for the University of Idaho Library Renovation and Improvements, in the amount of \$1,300,000. Authorization includes the authority to execute all necessary and requisite contracts to fully implement the construction phase of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015**

Office of the Idaho State Board of Education
Capital Project Tracking Sheet
As of June, 2015

History Narrative

- 1 **Institution/Agency:** University of Idaho **Project:** Finance Plan and Construction Phase Authorization, University of Idaho Library Renovation and Improvements, University of Idaho, Moscow, Idaho.
- 2 **Project Description:** Renovations and improvements to the University of Idaho Library located on the main campus of the University of Idaho, Moscow, Idaho.
- 3 **Project Use:** A project effort that will provide for renovations and improvements to the first floor of the University of Idaho Library. The original Library was constructed in 1957. A significant building addition was constructed, and the 1957 space was renovated, in 1992. No significant renovations or improvements have occurred in the 23 years since, although tremendous advances in technology and Library Science have occurred.
- 4 **Project Size:** 28,000 GSF

Project Cost History:	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, Feb 2015	\$ -	\$ -	\$ 249,900	\$ 249,900	\$ 149,900	\$ -	\$ 100,000	\$ 249,900
Anticipated Overall Cost, All Phases, Feb 2015	\$ -	\$ -	\$ 1,150,100	\$ 1,150,100				
History of Revisions: Revised Cost Estimate upon Conclusion of Design Phase, Initiation of Construction Phase, June 2015	\$ -	\$ -	\$ (100,000)	\$ (100,000)	\$ 3,000	\$ 966,350	\$ 80,750	\$ 1,050,100
Total Project Costs	\$ -	\$ -	\$ 1,300,000	\$ 1,300,000	\$ 152,900	\$ 966,350	\$ 180,750	\$ 1,300,000

* Total funding currently available exceeds funding requisite for the design phase. The University intent is that any unused funding is carried forward to a future construction phase at the time such future construction phase may be approved by the Board of Regents.

History of Funding:	PBF	ISBA	Other Sources of Funds			Total Other	Total Funding
			Institutional Funds (Gifts/Grants)	Student Revenue	Other***		
Initial Authorization Request, Planning and Design Phase Only, February 2015	\$ -	\$ -	\$ 580,000	\$ -	\$ 820,000	\$ 1,400,000	\$ 1,400,000
Construction Phase Authorization Request, June 2015	\$ -	\$ -	\$ (261,000)	\$ -	\$ 161,000	\$ (100,000)	\$ (100,000)
Total	\$ -	\$ -	\$ 319,000	\$ -	\$ 981,000	\$ 1,300,000	\$ 1,300,000

** Construction Contingency of 10% plus an Overall Project Contingency of 8%.

*** Internal Strategic Reserves, \$324,735; Library Reserves \$656,265

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

UNIVERSITY OF IDAHO

SUBJECT

Independent Study in Idaho (ISI) fee

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

ISI was created in 1973 by the Idaho State Board of Education (Board) as a cooperative of four regionally accredited Idaho institutions led by the University of Idaho (UI). Other cooperating members include Lewis-Clark State College (LCSC), Idaho State University (ISU) and Boise State University (BSU).

ISI is seeking to increase the per-credit fee for undergraduate and graduate courses. Due to changes to Board policy, ISI fees no longer fit under the Special Lab and Course Fees. The per-credit fee for ISI's online, undergraduate-level courses was last raised in 2002 from \$90 to \$100 per credit, and ISI would like to raise the per-credit undergraduate fee to \$160 per credit. This is a 60% increase over 2002, equal to an average annual increase of 3.7% over 13 years. The per-credit fee for graduate-level courses was last raised in 2004 from \$115 to \$140 per credit, and ISI would like to raise the per-credit graduate fee to \$200 per credit. This is a 43% increase over 2004, equal to an average annual increase of 3.3% over 13 years.

ISI receives no state or institutional funding and operates on revenue generated through student enrollment fees. An increase in ISI's per-credit and per-course fees would be used to pay for an increase in pay for ISI's graders, who have not received an increase since 2008. A fee increase would also serve to close the gap between ISI's fee rates and those of other independent study programs, and operational and staff expenses, which have increased steadily since ISI fees were last increased.

IMPACT

Approval will authorize the increase of Independent Study in Idaho fees effective for the 2015-16 academic year.

ATTACHMENTS

Attachment 1 – ISI Summary & Request

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff intends to bring forward an amendment to Board policy V.R. at a later date to codify a process for setting ISI fees on a forward basis. In the interest of

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 18, 2015

time, however, staff brought this item forward for one-time approval for the upcoming academic year. Staff recommends approval.

BOARD ACTION

I move to approve the request to set the per-credit fee for ISI's online, undergraduate-level courses at \$160 per credit, and the per-credit fee for graduate-level courses at \$200 per credit.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



University of Idaho
875 Perimeter Drive MS 3081
Moscow ID 83844-3081
www.uidaho.edu/isi

Dear Matt Freeman,

Independent Study in Idaho (ISI) is seeking to increase the per-credit fee for undergraduate and graduate courses. Due to policy changes, requests for ISI fee increases no longer fit under the Special Lab and Course Fees, and a new policy must be created to cover these requests. The per-credit fee for ISI's online, undergraduate-level courses was last raised in 2002 from \$90 to \$100 per credit. This proposal requests approval to raise the per-credit undergraduate fee to \$160 per credit. The per-credit fee for graduate-level courses was last raised in 2004 from \$115 to \$140 per credit. This proposal requests approval to raise the per-credit graduate fee to \$200 per credit.

Independent Study in Idaho receives no state or institutional funding and operates on revenue generated through student enrollment fees. An increase in ISI's per-credit and per-course fees would be used to pay for an increase in pay for ISI's graders, who have not received an increase since 2008. A fee increase would also serve to close the gap between ISI's fee rates and those of other independent study programs, and operational and staff expenses, which have increased steadily since ISI fees were last increased.

ISI was created in 1973 by the Idaho State Board of Education as a cooperative of four regionally accredited Idaho institutions led by the University of Idaho (UI). Other cooperating members include Lewis-Clark State College (LCSC), Idaho State University (ISU) and Boise State University (BSU).

**Total Number of Courses, Students, and Course Instructors
Per Cooperative Institution**

	Institution Totals					Pecentages by Institution			
	COURSES	CREDITS	INSTRUCTORS	STUDENTS		COURSES	CREDITS	INSTRUCTORS	STUDENTS
BSU	0	0	0	0	BSU	0%	0%	0%	0%
ISU	6	17	5	193	ISU	6%	6%	8%	12%
LCSC	18	39	11	258	LCSC	17%	13%	19%	16%
UI	80	251	43	1130	UI	77%	82%	73%	71%
Total	104	307	59	1581					

Contacts per Cooperative Institution

UI: Terry Ratcliff, Executive Director, Distance and Extended Education, tratcliff@uidaho.edu, 208.885.4132
 LCSC: Mary Flores, Dean for Academic Programs, mflores@lcsc.edu, 208.792.2325
 BSU: Mark Wheeler, Dean of Extended Studies, mwheeler@boisestate.edu, 208.426.3706
 ISU: contact to be determined

Respectfully,
 Terry Ratcliff, Ed.D.
 Executive Director, Distance and Extended Education

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