

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 20, 2017

TAB	DESCRIPTION	ACTION
1	INTERCOLLEGIATE ATHLETICS FY2016 Revenue and Expenses Reports	Information Item
2	INTERCOLLEGIATE ATHLETICS FY2016 and FY2017 Compensation Reports	Information Item
3	INTERCOLLEGIATE ATHLETICS FY2016 Gender Equity Reports	Information Item
4	FY2018 APPROPRIATIONS	Motion to approve
5	FY2019 BUDGET GUIDELINES	Motion to approve
6	FY2018 OPPORTUNITY SCHOLARSHIP EDUCATIONAL COSTS	Motion to approve
7	IDAHO STATE UNIVERSITY Memorandum of Understanding – Idaho College of Osteopathic Medicine for Institutional Review Board Services	Motion to approve
8	UNIVERSITY OF IDAHO Space Lease – Gritman - WWAMI program	Motion to approve
9	UNIVERSITY OF IDAHO Athletic Limit Waiver	Motion to approve

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SUBJECT

Intercollegiate Athletics Reports of revenues and expenditures

REFERENCE

February 2016 Board received annual athletics revenues and expenditures reports.

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.X.5.

BACKGROUND/DISCUSSION

Responsibility, management, control and reporting requirements for athletics are detailed in State Board of Education (Board) policy V.X. The college and universities are required to submit regular financial reports as specified by the Board office. For the universities, the revenue and expenditures reported must reconcile to the NCAA "Agreed Upon Procedures Reports" that are prepared annually and reviewed by the external auditors.

IMPACT

The reports of Revenues and Expenses are presented for each institution for fiscal year 2016.

ATTACHMENTS

Attachment 1	Boise State University	Page 3
Attachment 2	Idaho State University	Page 4
Attachment 3	University of Idaho	Page 5
Attachment 4	Lewis-Clark State College	Page 6

STAFF COMMENTS AND RECOMMENDATIONS

The Athletics Reports show actual results for fiscal year 2016.

BOARD ACTION

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

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SUBJECT

Intercollegiate Athletics Department Employee Compensation Report

REFERENCE

February 2016 Board received FY 2015 athletics compensation reports

APPLICABLE STATUTE, RULE OR POLICY

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

BACKGROUND/ DISCUSSION

In FY 1997 the Board adopted an annual report on the compensation of the employees of the intercollegiate athletic departments. The attached reports include FY 2016 actual compensation and FY 2017 estimated compensation for each institution.

IMPACT

The report details the contracted salary received by administrators and coaches, including bonuses, supplemental compensation and perquisites, if applicable.

ATTACHMENTS

Attachment 1 - Boise State University	FY16 Actual FY17 Estimate	Pages 3-4 Pages 5-6
Attachment 2 - Idaho State University	FY16 Actual FY17 Estimate	Pages 7-8 Pages 11-12
Attachment 3 - University of Idaho	FY16 Actual FY17 Estimate	Pages 13-15 Pages 17-18
Attachment 4 - Lewis-Clark State College	FY16 Actual FY17 Estimate	Pages 19-20 Pages 21-22

STAFF COMMENTS AND RECOMMENDATIONS

The Board has delegated, through Board policy II.B., to the Chief Executive Officer of each institution personnel management not specifically retained by the Board. Board policy II.H. authorizes the Chief Executive Officer of an institution to enter into a contract for the services of a coach or athletic director with that institution for a term of up to three (3) years. A contract with a term (whether fixed or rolling) of more than three (3) years, or with a total annual compensation amount of \$200,000 or higher, is subject to approval by the Board.

BOARD ACTION

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

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SUBJECT

Athletics Gender Equity Reports

REFERENCE

April 2016 Board received FY 2015 gender equity reports

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Title IX of the Education Amendments of 1972 is the federal legislation that bans gender discrimination in schools, whether it is in academics or athletics. Title IX states: "No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance" (20 U.S.C. §1681(a))

In regard to intercollegiate athletics, the US Department of Education's Office for Civil Rights (OCR) issued a "Clarification of Intercollegiate Athletics Policy Guidance: The Three-Part Test" in 1996 to analyze if an institution is in compliance. All three parts must be met for an institution to be considered in compliance.

First, the selection of sports and the level of competition must accommodate the students' interests and abilities using one of the three factors listed below:

1. Participation opportunities for male and female students are provided in numbers **substantially proportionate** to their respective enrollments.
2. Where the members of one gender have been and are underrepresented among intercollegiate athletes, whether the institution can show a **history and continuing practice of program expansion** which is demonstrably responsive to the developing interests and abilities of that gender.
3. Where the members of one gender are underrepresented among intercollegiate athletes and the institution cannot show a continuing practice of program expansion, whether it can be demonstrated that the interests and abilities of the members of that gender have been **fully and effectively accommodated** by the present program.

Second, financial assistance must be substantially proportionate to the ratio of male and female athletes. Institutions within 1% variance are considered compliant.

Third, benefits, opportunities, and treatments afforded sports participants are to be equivalent, but not necessarily identical including equipment and supplies, scheduling games and practices, travel expenses, availability and compensation

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of coaches, quality of facilities, medical services, housing, dining, and recruitment. Compliance is measured on a program-wide basis, not on a sport-by-sport basis.

Idaho State Board of Education (Board) policy V.X.4.c requires the four-year institutions to provide gender equity reports for review by the Board in a format and time to be determined by the Executive Director. The reports from the institutions include a narrative discussion of gender equity-related issues along with a summary table which distills data from the detailed gender equity report provided annually by each institution to the U.S. Department of Education.

IMPACT

The attached summary worksheets show the institutions' enrollment, financial aid, and participants by gender. The worksheets also show the actual revenues and expenses for the most current completed fiscal year by sport, as well as overall operating (Game Day) expenses, number of participants, and operating expenses per participant. Finally, the worksheets provide information on average salaries of coaches and the count of coaches per sport by gender.

ATTACHMENTS

Attachment 1: BSU Gender Equity Narrative	Page 5
Attachment 2: BSU Gender Equity Worksheet	Page 15
Attachment 3: ISU Gender Equity Narrative	Page 19
Attachment 4: ISU Gender Equity Worksheet	Page 21
Attachment 5: UI Gender Equity Narrative	Page 25
Attachment 6: UI Gender Equity Worksheet	Page 27
Attachment 7: LCSC Gender Equity Narrative	Page 31
Attachment 8: LCSC Gender Equity Worksheet	Page 32

STAFF COMMENTS AND RECOMMENDATIONS

Noteworthy information on gender equity aspects of athletic operations at the individual institutions are included in the attached narrative documents. The actual detailed "Equity in Athletics Data Analysis (EADA)" reports are also available for review and analysis by the public on the U.S. Department of Education website at <https://ope.ed.gov/athletics/> . This site also provides tools to download EADA reports for any NCAA or NAIA institution and to compare groups of institutions and review trends.

In their narratives, the institutions reported the status of compliance in the three parts of Title IX.

Boise State University (BSU) provided a thorough, in-depth analysis of their compliance to Title IX in all three tests. BSU reported noncompliance in the first test because it missed substantial proportionality in enrollments by 2.7% with a disadvantage to females and noncompliance in showing a continuing practice of program expansion or full accomodation. BSU also reported non-compliance in the second test for financial assistance with a 1.1% disadvantage to males. For

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the third test, BSU reported disparities with regard to financial resources for recruiting and courtesy cars.

Idaho State University (ISU) reported compliance in the first two tests. While ISU did not state whether they were in compliance in the third test, they did note specific program areas are monitored and that several program enhancements were made in FY 2017.

University of Idaho (UI) reported a 1.24% differential in the first test with a disadvantage to males. UI reported noncompliance in the second test for financial assistance with a 2.46% disadvantage to females. While UI did not state whether they were in compliance in the third test, they did note specific program enhancements were made.

Lewis-Clark State College (LCSC) reported noncompliance in the first test because it missed substantial proportionality in enrollments by 18% with a disadvantage to females and noted meeting the first test is problematic due to financial constraints. LCSC reported compliance in the second test for financial assistance and in the third test for program equivalency.

BOARD ACTION

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

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SUBJECT

FY 2018 Appropriation Information – Institutions and Agencies of the State Board of Education

APPLICABLE STATUTE, RULE, OR POLICY

Applicable Legislative Appropriation Bills (2017)

BACKGROUND/ DISCUSSION

The 2017 Legislature has passed appropriation bills for the agencies and institutions of the Board.

The table on Tab 4a page 2 lists the FY 2018 appropriation bills related to the State Board of Education.

IMPACT

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

ATTACHMENTS

Attachment 1 – FY 2018 Appropriations List

Page 2

STAFF COMMENTS

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

BOARD ACTION

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

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ATTACHMENT 1

**State Board of Education
FY 2018 Appropriations to Institutions and Agencies**

	General Fund	% Δ From FY 2017	Total Fund
<u>Allocations</u>			
College and Universities	\$287,053,200	2.7%	\$564,958,700
Community Colleges	39,400,900	6.7%	40,000,900
Career Technical Education	65,372,000	5.3%	74,754,900
<u>Agencies</u>			
Agricultural Research & Extension Service	31,263,300	2.4%	31,287,300
Health Education Programs	15,594,200	15.4%	15,905,800
Special Programs	15,562,200	.9%	19,686,600
Office of the State Board of Education	5,584,900	60.6%	9,036,500
Idaho Public Television	3,327,200	10.1%	9,633,100
Division of Vocational Rehabilitation Division	8,589,000	3.0%	28,175,900
State Department of Education (Superintendent of Public Instruction)	14,189,200	0.0%	38,818,000
<u>Statewide Issues</u>			
Major Capital Projects			
Boise State University: Center for Materials Science			\$10,000,000
Idaho State University: Gale Life Science remodel			10,000,000
University of Idaho: WWAMI Building remodel			2,400,000
University of Idaho: Center for Ag. Food and Environment			10,000,000
Lewis-Clark State College: Career-Technical Education Building			10,000,000

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SUBJECT

FY 2018 College and Universities Appropriation Allocation

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.S.
Senate Bill 1152 (2017)

BACKGROUND/DISCUSSION

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

According to Board policy, the allocation is made in the following order: 1) each institution shall be allocated its prior year budget base; 2) funds for the Enrollment Workload Adjustment (EWA); 3) operations and maintenance funds for new, major general education capital improvement projects.; 4) decision units above the base; and 5) special activities or projects at the discretion of the Board.

At the October 2016 Board meeting the Board waived Board policy Section V.S., subsection II.B. Enrollment Workload Adjustment, for the 2018 fiscal year as part of the work to move from the EWA distribution formula to outcomes-based funding.

This action allocates the FY 2018 College and Universities appropriation to the institutions for general education programs and system-wide needs. These funds allocated along with revenue generated from potential fee increases will establish the operating budgets for the general education program for FY 2018. The allocation for FY 2018 is shown on Tab 4b page 3. The FY 2018 general fund appropriation includes the following items:

Maintenance of Current Operations (MCO):

• Ongoing base funding for benefit cost increases	\$ 1,619,400
• Inflation	10,600
• One-time replacement capital	329,400
• 3% ongoing Change in Employee Compensation (CEC)	5,933,700
• Statewide cost allocation	28,400
• Compensation Schedule Changes	13,500
• Enrollment Workload Adjustment (EWA)	(1,265,300)

Line Items:

• Occupancy costs	1,677,200
• Economic Workforce Development (BSU)	2,088,800
• Idaho Falls Polytechnic Initiative (ISU)	1,827,900
• Center for Education Innovation (ISU)	200,000
• Computer Science in Coeur d'Alene (UI)	715,100

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• Library Investment (UI)	582,000
• Health Profession Education Expansion (LCSC)	255,500
• Advising and Career Readiness (LCSC)	338,500
• Enrollment Workload Adjustment (EWA)	2,379,700
• Cybersecurity Insurance	<u>144,000</u>
Total General Fund increase over Base	\$16,878,400

ATTACHMENTS

Attachment 1 - C&U FY 2018 Appropriation Allocation	Page 3
Attachment 2 - Statement of Purpose/Fiscal Note	Page 5
Attachment 3 - Appropriation Bill (S1152)	Page 9

STAFF COMMENTS

Staff recommends approval of the FY 2018 College and Universities allocation as presented in Attachment 1.

BOARD ACTION

I move to approve the allocation of the FY 2018 appropriation for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as presented on Tab 4b, Page 3.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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SUBJECT

Community Colleges FY 2018 Appropriation Allocation

APPLICABLE STATUTE, RULE, OR POLICY

House Bill 294 (2017)

BACKGROUND/DISCUSSION

The Legislature makes an annual appropriation to the State Board of Education for community college support. The allocation to the colleges includes the current year (FY 2017) base allocation plus each college's respective share in any annual budget adjustments according to the normal budgeting process.

IMPACT

This action allocates the FY 2018 Community Colleges appropriation to the institutions. The funds allocated along with revenue generated from other non-appropriated sources will establish the operating budgets. The FY 2018 Allocation is shown on Tab 4c, page 3.

The FY 2018 appropriation includes ongoing base funding for health insurance increases, 3% ongoing Change in Employee Compensation (CEC) increases, and line item enhancements at College of Southern Idaho for Bridge-to-Success summer program and Eastern Idaho Math/English instruction; North Idaho College for Title IX Coordinator and Assistive Technology Coordinator; and College of Western Idaho for Student Success and Balance Funding.

ATTACHMENTS

Attachment 1 – FY 2018 CC Appropriations Allocation	Page 3
Attachment 2 – Statement of Purpose/Fiscal Note	Page 5
Attachment 3 – Appropriation Bill (H294)	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the FY 2018 Community College allocation.

BOARD ACTION

I move to approve the allocation of the FY 2018 appropriation for the College of Southern Idaho, College of Western Idaho and North Idaho College, as presented on Tab 4c, Page 3.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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SUBJECT

Allocation of the State Division of Career Technical Education Appropriation.

APPLICABLE STATUTE, RULE, OR POLICY

House Bill 295 (2017)

BACKGROUND

The Idaho Legislature appropriates funds for career technical education to the Division of Career Technical Education (CTE) in five designated programs: State Leadership and Technical Assistance, General Programs, Postsecondary Programs, Dedicated Programs, and Related Services. CTE requests approval of the allocation of the FY2018 appropriated funds detailed in Attachment 1.

DISCUSSION

The allocation is based on the increased level of funding in House Bill No. 295 and the provisions of the State Plan for Career Technical Education. The State General Fund reflects an overall increase of 4.0% from the original FY2017 appropriation. The Legislature funded a 3% change in employee compensation; employee benefit increases; maintenance level decreases in the statewide cost allocation for CTE and Eastern Idaho Technical College (EITC); \$1.8 million in funds for capacity expansion of 11 specific programs at the 6 postsecondary technical colleges; \$405,900 in one-time funding to purchase replacement equipment at the 6 technical colleges and CTE; \$64,600 in ongoing funding to add a human resource position at EITC; \$250,000 ongoing from the General Fund to expand adult basic education (ABE); an additional position and \$449,600 from the General Fund to expand incentive funding opportunities to all secondary programs; \$128,000 to align courses from secondary to postsecondary and \$68,000 to design online courses through Idaho Digital Learning Academy; \$375,000 to fund a 5% increase in added cost funding for secondary CTE programs.

IMPACT

Establish FY2018 operating budget.

ATTACHMENTS

Attachment 1 – FY 2018 Allocation of Career Technical Education	Page 3
Attachment 2 – Statement of Purpose/Fiscal Note	Page 5
Attachment 3 – Appropriation Bill (H295)	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval of the allocation of the FY 2018 appropriation for CTE as detailed in Attachment 1.

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BOARD ACTION

I move to approve the request from the Division of Career Technical Education for the allocation of the FY 2018 appropriation detailed in Attachment 1.

Moved by _____ Seconded by _____ Yes ____ No ____

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SUBJECT

FY 2019 Budget Development Process (Line Items)

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/ DISCUSSION

Idaho State Board of Education (Board)-approved budget requests for FY 2019 must be submitted to the executive and legislative branches [Division of Financial Management (DFM) and Legislative Services Office (LSO)] on September 1, 2017. To meet this annual deadline, the Board has established a process for developing institutional requests. The first step is the approval of line item request guidelines at the April Board meeting. The institutions then use these guidelines to develop line item requests which are evaluated by the Board at its June meeting. The final budget request, including line items and maintenance of current operations (MCO) items, is then approved in August. As indicated, budget requests are developed in two parts as directed by the DFM/LSO Budget Development Manual: MCO items and line items. The Board's budget request guidelines focus on the development of line item requests, but additional information on MCO and other types of requests is provided below.

MCO requests are calculated using state budget guidelines and Board policy. A MCO request includes funding for Change in Employee Compensation (CEC), health insurance cost increases, inflationary increases for operating expenses (including utilities), and central state agency cost areas (Treasurer, Controller, etc.). These items are calculated using rates established by DFM. Other MCO items include replacement capital (i.e. equipment), and external non-discretionary adjustments such as health education program contract adjustments. Replacement capital requests take into account equipment depreciation schedules, and institutions may request one-time replacement capital in General Funds based on the B-7 Replacement Capital form. A MCO budget is considered the minimum to maintain operations, while line items are requests for new or expanded programs, occupancy costs, and other initiatives deemed important by the Board, institution/agency, Legislature or Governor.

The capital building budget request is a separate, parallel process which flows through the Division of Public Works (DPW) and the Permanent Building Fund Advisory Council (PBFAC), with funding provided from the Permanent Building Fund. Agencies and institutions seek funding for major capital projects and major Alteration and Repair (A&R) maintenance projects through that process.

FY2019 Line Item request guidelines. The following guidelines apply to the college/university line item requests for FY2019. These guidelines are elective in nature for the community colleges and the Division of Career Technical Education (CTE), though all institutions and agencies under the governance of the Board will

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face similar challenges for additional resources in FY2019. In its submission to DFM, the Board will support no more than two line item requests for FY2019, with a combined dollar value cap of 5% of the requesting institution's FY2018 General Fund appropriation. This is the same guidance issued for the FY2018 budget request. There are no restrictions or special instructions for FY2019 requests related to occupancy costs or Permanent Building Fund capital project and A&R requests. Line item requests should be clearly and precisely defined and should follow the instructions and formats provided in the Budget Development Manual. When a line item contains multiple elements, those elements should be prioritized to make them "scalable" in the event only partial funding is made available for a line item. Draft line item requests from Board institutions/agencies are due along with agenda item materials for the June 2017 Board meeting. Final review and approval of line items is expected to take place at the August 2017 Board meeting.

Report on "Complete College Idaho" (CCI) appropriations. The college/universities (and the community colleges) will again be required to report on the implementation and effectiveness of CCI appropriations received in FY2015, FY2016, and FY2017. A consolidated report will be provided not later than February 1, 2018 by the President of the Board to the Joint Finance-Appropriations Committee (JFAC), the Senate Education Committee, and the House Education Committee. Detailed instructions on compiling the information for the CCI report will be disseminated to institutions in the coming months.

IMPACT

The line item request guidelines proposed above will provide a model that has been used successfully by institutions to obtain State funding to support key initiatives in support of the Board's strategic goals. The model is flexible and can facilitate fine-tuning of individual requests to accommodate the fiscal realities which evolve over the course of the planning cycle and the upcoming Legislative session. The line item request process will complement the parallel budget planning activities related to facilities/infrastructure, endowment funds, student tuition/fees, and the MCO process.

STAFF COMMENTS AND RECOMMENDATIONS

Staff anticipates that one or more system-wide budget requests may emerge for FY2019 as a result of the work of the Governor's Higher Education Task Force. Potential recommendations may include Outcomes-Based Funding (OBF) proposals, enhancements to scholarship programs, changes to Advanced Opportunity programs, and/or other initiatives. Discussions with the Governor's Office and Legislature indicate that no Enrollment Workload Adjustment (EWA) is anticipated for the FY2019 budget request. The college/university two line item, 5% of General Fund cap enables institutions to carry out budget planning on how new state funding could best be used to meet the Board's strategic goals, whether the channel for new funding is an OBF approach or a line item approach.

Staff recommends approval.

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BOARD ACTION

I move to direct the college and universities to limit Fiscal Year 2019 budget line items requests to those which will measurably support implementation of the Board's strategic plan. Institutions may request up to two (2) line items in priority order, the total value of which shall not exceed five percent (5%) of an institution's FY2018 total General Fund appropriation. Any requests for occupancy costs will not count towards the two line item limit or the 5% cap.

Moved by _____ Seconded by _____ Carried Yes ___ No ___

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SUBJECT

FY 2018 Idaho Opportunity Scholarship Educational Costs

REFERENCE

December 2013	The Idaho State Board of Education (Board) set the maximum award amount, student contribution amount, and cost of attendance for FY2015
December 2014	The Board increased the maximum award amount for FY2015
April 2015	The Board set the FY2016 maximum award amount, expected family contribution and educational cost.
April 2016	The Board set the FY2017 maximum award amount, expected family contribution and educational cost.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho Code § 33-4303, Idaho Opportunity Scholarship
IDAPA 08.01.13, Rules Governing the Opportunity Scholarship

BACKGROUND/ DISCUSSION

The intent of the Idaho Opportunity Scholarship is to: (i) provide financial resources to Idaho students who are economically disadvantaged; (ii) close the gap between the estimated cost of attending an eligible Idaho postsecondary institution and the expected student and family contribution toward such educational costs; and (iii) encourage the educational development of such students in eligible Idaho postsecondary institutions.

In 2014-15 \$4,916,579 was disbursed to 1,465 scholarship recipients with an average award amount of \$3,440. In 2015-2016 \$5,146,248 was distributed to 1,868 scholarship recipients with an average award amount of \$2,881. In 2016-2017 \$9,868,532 was distributed to 3,454 scholarship recipients with an average award amount of \$2,857. Currently, 5,229 eligible students have applied for the scholarship for 2017-18, and there is approximately \$10.3 million in funding available.

Idaho Administrative Code, IDAPA 08.01.13.03 (Rules Governing the Opportunity Scholarship) requires the Board to annually set: (1) the educational costs for attending an eligible Idaho postsecondary institution; and (2) the amount of the assigned student responsibility (i.e. eligible students are expected to share in the cost of their education and will be required to contribute an amount determined by the Board).

The educational cost may include student tuition, fees, book and other necessary education expenses. The standard educational cost for FY 2015 award

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determination purposes was \$18,600 for the 4-year institutions and \$12,700 for the 2-year institutions. In FY 2016, pursuant to IDAPA 08.01.13 these amounts were set for each institution and were based on the institution's published educational cost for fulltime undergraduate students attending two semesters per year.

While not required by statute or rule, the Board has historically set a maximum award in order to increase the number of awardees. The maximum award amount for FY 2015 was \$3,750 and \$3,000 in FY 2016 and FY 2017. The majority of full-year student recipients were eligible for the maximum \$3,000 award. The actual award amount cannot exceed the actual cost of tuition to the student.

Individual student award amounts are calculated based on the education cost for the institution the student attends, the student contribution amount, other scholarships and financial aid the student receives, actual tuition costs and the maximum award amount. As an example, based on the proposed amounts, if a student attends the University of Idaho with a set educational cost of \$20,640, the Opportunity Scholarship award amount would be calculated as follows:

	<u>Student A</u>	<u>Student B</u>
Educations Cost	\$20,640	\$20,640
Student Contribution	\$3,000	\$3,000
Other scholarships and financial aid	<u>\$10,000</u>	<u>\$15,000</u>
Total Remaining	\$7,640	\$2,640
Eligible Award Amount	\$3,500	\$2,640

The actual award amount for each student may be further adjusted based on how other scholarships and financial aid are required to be applied and the actual amount charged to the student. Payments are made directly to the institution on the students behalf.

IMPACT

Setting the educational cost and student contribution amounts fulfills the Board's responsibilities under administrative rule. Combined with setting the award cap, this action will enable Board staff to begin processing applications and making award determinations for FY 2018.

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends the FY 2018 educational cost for the Opportunity scholarship award formula to be set for each public institution as follows:

- \$20,640 for students attending University of Idaho
- \$19,424 for students attending Boise State University
- \$20,179 for students attending Idaho State University
- \$17,362 for students attending Lewis-Clark State College
- \$13,458 for students attending College of Southern Idaho

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\$13,152 for students attending College of Western Idaho
\$14,754 for students attending North Idaho College
\$16,230 for students attending Eastern Idaho Technical College

Staff recommends the FY2018 educational cost for the Opportunity scholarship award formula to be set at \$19,401 for students attending eligible Idaho private, not-for-profit postsecondary institutions (as defined in Idaho Code §33-4303(2)(b)). Pursuant to administrative rule, this amount is the average of the amount set for the four public 4-year institutions.

Staff recommends that the FY2018 student contribution be set at \$3,000 for students attending either 4-year institutions or 2-year institutions, and to accept student-initiated scholarships and non-institutional and non-federal aid as part of the student contribution. Setting the student contribution amount at \$3,000 equally balances the maximum state contribution with the required student contribution.

Staff recommends approval of the Opportunity Scholarship maximum award in the amount of \$3,500 per year [note: while the maximum potential award from the state would increase to \$3,500 per year, the required student contribution would remain at the current level of \$3,000 per year, as described in the paragraph above].

BOARD ACTION

I move to set the FY2018 educational cost for the Opportunity scholarship award not to exceed the following amounts:

1. \$20,640 for students attending University of Idaho
2. \$19,424 for students attending Boise State University
3. \$20,179 for students attending Idaho State University
4. \$17,362 for students attending Lewis-Clark State College
5. \$13,458 for students attending College of Southern Idaho
6. \$13,152 for students attending College of Western Idaho
7. \$14,754 for students attending North Idaho College
8. \$16,230 for students attending Eastern Idaho Technical College

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve the Opportunity Scholarship maximum award in the amount of \$3,500 per year.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

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I move to approve the FY17 student contribution be set at \$3,000 and to accept student-initiated scholarships and non-institutional and non-federal aid as part of the student contribution.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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IDAHO STATE UNIVERSITY

SUBJECT

Approval of the Memorandum of Understanding between Idaho State University (ISU) and the Idaho College of Osteopathic Medicine (ICOM) for Institutional Review Board (IRB) services.

REFERENCE

February 2016 Idaho State Board of Education (Board) approved Collaborative Affiliation Agreement.

August 2016 Board approved execution of Ground Lease for ICOM to build its medical education building on the ISU Meridian campus.

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I. 6.b.

BACKGROUND / DISCUSSION

On February 25, 2016, in a special meeting of the Board, Idaho State University (ISU) was authorized to execute the Collaborative Affiliation Agreement between ISU and the Idaho College of Osteopathic Medicine (ICOM) for the creation of a college of osteopathic medicine on the ISU-Meridian campus. The Collaborative Affiliation Agreement provides for the execution of a lease between the parties for an initial period of forty (40) years, with the opportunity to extend the lease for two (2) additional ten (10) year periods. Under the terms of the Ground Lease Agreement between ISU and ICOM, ICOM will lease 2.8 acres from ISU on which to build its school and related improvements.

ISU and ICOM would like to enter into a Memorandum of Understanding which states the parties intend that ISU will provide IRB services to ICOM for human subject research activities. If approved, ISU and ICOM will negotiate the complete terms and conditions in an IRB Authorization Agreement that will be presented at a future Board meeting.

IMPACT

ICOM will pay ISU for IRB services at a rate to be negotiated. At this time, it is unknown how many and what type of protocols will be submitted. However, it is possible that providing these IRB services to ICOM may entail additional ISU personnel to accommodate the increased workload.

ATTACHMENTS

Attachment 1 – IRB MOU

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STAFF COMMENTS AND RECOMMENDATIONS

Board approval of the proposed MOU between ISU and ICOM will provide documentation to accreditors and other stakeholders that the Board supports negotiation of an agreement which, if subsequently approved by the Board, would provide IRB support to ICOM through ISU personnel/resources.

Staff recommends approval.

BOARD ACTION

I move to authorize Idaho State University to enter into the Institution Review Board MOU with the Idaho College of Osteopathic Medicine as presented in Attachment 1, and to authorize ISU to proceed with negotiations on an IRB Authorization Agreement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
APRIL 20, 2017

UNIVERSITY OF IDAHO

SUBJECT

Lease of medical education space for University of Idaho (UI) WWAMI (Washington, Wyoming, Alaska, Montana and Idaho) regional medical education training program.

REFERENCE

April 2014 Idaho State Board of Education (Board) received WWAMI report including curriculum changes and use of Pullman, WA facilities.

April 2015 Board received update on WWAMI curriculum changes and use of Pullman, WA facilities.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.2.e

BACKGROUND/DISCUSSION

To meet expanded student and program responsibility for the UI's WWAMI medical education program, the UI has already repurposed or remodeled existing UI facilities in Moscow. However, some specialized medical education facilities currently provided to UI by Washington State University (WSU) at Pullman, WA will, as of 2019, no longer be available to UI as WSU develops its own medical school in Spokane. Consequently, UI must acquire an anatomy lab along with supporting medical student and faculty space required for delivery of the specialized laboratory training needed to meet WWAMI's program obligations for UI medical students in Moscow. UI has determined that collaborating with Gritman Medical Center and utilizing approximately half of the third floor of their newly constructed medical service building near UI's existing WWAMI building is and is preferable because it will reduce UI's expected construction time and costs to provide such specialized space on the UI campus. This location also creates substantial program advantages due to synergies between WWAMI and Gritman as well as its location in Gritman's expanding regional medical campus that adjoins the UI campus in downtown Moscow.

IMPACT

Existing and expected WWAMI program budget allocations will be used to cover rent and facility operating costs for the terms of the proposed lease. The proposed agreement establishes a rental rate that covers the \$2.9 million expense for Gritman to finish highly specialized anatomy laboratory space along with teaching space required for this essential medical education experience. The initial lease term is ten years, but may be renewed by UI at established renewal rates. UI may terminate the lease early and cease its base rent and operating cost expenses, but in the unlikely event of early lease termination, UI will be required to reimburse the

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landlord for the specialized tenant improvements provided by Gritman at lease commencement. In addition to rent, UI is also responsible for metered utility expenses, janitorial, and some allocated building expenses. This project is critical to providing facilities needed for medical education and is separate and distinct from other WWAMI capital construction projects.

ATTACHMENTS

Attachment 1 – Draft Lease Agreement Page 3
Attachment 2—Current and Proposed WWAMI Facilities in Moscow Page 265

STAFF COMMENTS AND RECOMMENDATIONS

Board Policy V.I.2.e. requires Board approval for leases which exceed five years or when lease costs will exceed one million dollars. Both criteria apply to the initial term of the proposed UI-Gritman lease. The proposed actions will support the recommendations of the Board’s Medical Education Committee and ongoing Health Education Plan initiatives from the Governor and Legislature.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to enter into a lease agreement with Gritman Medical Park, LLC in substantive conformance with the agreement provided as Attachment 1; and further to authorize the Vice President for Infrastructure for the University of Idaho to execute all necessary transaction documents for leasing this facility.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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UNIVERSITY OF IDAHO

SUBJECT

Request for waiver of institutional funds cap for Athletics

REFERENCE

February 2017

Idaho State Board of Education (Board) reviewed University of Idaho (UI) request for four-year waiver of Athletic institutional fund usage limit. Board asked UI to return for additional consideration, pending additional analysis of projected athletic budgets.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education (Board) Governing Policies & Procedures, Section V.X.3.b.

BACKGROUND/ DISCUSSION

The University of Idaho (UI) Athletics Department (Athletics) is projecting an operating deficit of approximately \$1 million for the current fiscal year (FY2017) unless additional funding can be provided. No deficit currently exists, but is projected by the end of the current fiscal year.

The projected deficit is being driven primarily by anticipated shortfalls in several categories of revenue. During FY2016, the football team played two guarantee games against the University of Southern California and Auburn University. These two games generated guarantee revenue of \$2,100,000. During the current fiscal year, the football team again played two guarantee games against the University of Washington and Washington State University. These two games generated guarantee revenue of \$1,575,000. This schedule change created a \$525,000 decrease in game guarantee revenue.

Athletics donations are anticipated to be down slightly for FY2017. Athletics projects that contributions to the Vandal Scholarship Fund (VSF) will be down \$150,000 from prior fiscal year levels, and non-VSF donations are projected to be down \$200,000 from prior fiscal year levels. This decrease is attributed, in part, to the move from the Football Bowl Subdivision (FBS) to the Football Championship Subdivision (FCS).

Also, student athletic activity fee revenue has been declining steadily since FY2012. The updated estimate for FY2017 student athletic activity fee revenue is \$1,802,000 (which is \$528,000 under FY2012 levels).

Within the last few months, two football events have generated additional revenue that will reduce the projected Athletics deficit. In December 2016, the Vandals were invited to compete in the Famous Idaho Potato Bowl. Participation in this

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game has generated additional net revenue to help offset the projected operating deficit. In addition, the Sun Belt Conference finished in 3rd place overall (within the Group of 5), while the Athletics Department had budgeted revenue associated with a 5th place finish. This improved conference standing has also generated additional revenue for the Athletics Department.

The FY2017 athletics caps for UI are \$2,973,100 for General Funds, \$1,266,100 for Gender Equity, and \$949,500 for Institutional Support. The grand total of all athletics caps is \$5,188,700.

To address the above-noted temporary shortfalls, and to smooth the university's transition from the FBS to the FCS and the accompanying adjustments to overall Athletics operations, UI is requesting authorization to tap additional available institutional funds to support athletic programs. The university requests Board approval of a one-time, one-year waiver of the FY2017 institutional funds cap, authorizing expenditures of not more than \$1,949,500 from available institutional funds. This flexibility will enable UI to avoid an overall athletic operating deficit in FY2017 and will sustain student athlete programs while the university adjusts its operations and budget plans over the next few years.

IMPACT

Allowing use of up to \$1 million in additional institutional funds in FY2017 will enable UI to maintain continuity of athletic operations while it realigns its programs to balance expenditures and revenues as it makes the FBS to FCS transition. Sufficient institutional funds (separate from General Fund and student athletic activity fee resources) are available for this one time outlay.

STAFF COMMENTS AND RECOMMENDATIONS

Under Board policy, Institutional Funds *"include, but are not limited to, auxiliaries, investment income, interest income, vending, indirect cost recovery funds on federal grants and contracts, and administrative overhead charged to revenue-generating accounts across campus. Institutional Funds do not include tuition and fee revenue."* Institutional reserves which accumulate from unexpended tuition and fees cannot be used within the Institutional Fund category for Athletics. The UI has confirmed that it has sufficient reserves within the "institutional funds" category to increase outlays by at least \$1 million.

Since the Board's February 2017 review of the UI's earlier (multi-year) waiver request, Board staff has coordinated with UI's administrative staff and has confirmed that deliberate planning is underway to adjust the institution's athletic programs and accompanying budgets in the grace period which will be provided if the Board approves the requested one-year Institutional Fund waiver. This flexibility will help avoid short-term disruptions to operations which would be necessary if the UI had to operate within the current FY2017 institutional fund limit.

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Staff will continue to work with UI counterparts to ensure that a viable, multi-year operating budget plan is put in place and presented to the Board. In the meantime, the Business Affairs and Human Resources Committee has directed staff to begin a systematic review of the Board's current policy on athletic limits. This review may eventually impact—but was not prompted by—the specific situation which is the basis of the UI's proposed waiver request.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to waive Board policy V.X.3.b. and allow the University of Idaho to temporarily increase its institutional funds athletics expenditure limit for FY2017 by an amount not to exceed \$950,500 (\$1,900,000 total); and that the university report on its revised athletics budget plans in conjunction with the institutions' annual athletic reports to the Board in April 2018.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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