

**BUSINESS AFFAIRS AND HUMAN RESOURCES
AUGUST 10, 2017**

TAB	DESCRIPTION	ACTION
1	FY 2019 LINE ITEMS	Motion to approve
2	FY 2019 CAPITAL BUDGET REQUESTS	Motion to approve
3	INTERCOLLEGIATE ATHLETIC REPORTS NCAA Academic Progress Rate (APR) Scores	Information item
4	IDAHO NATIONAL LABORATORY Progress Report	Information item
5	BOISE STATE UNIVERSITY Center for Materials Science Research Project – Construction Phase	Motion to approve
6	IDAHO STATE UNIVERSITY Bengal Pharmacy Annual Report	Information item
7	IDAHO STATE UNIVERSITY Agreements Between ISU and the Idaho College of Osteopathic Medicine (ICOM)	Motion to approve
8	UNIVERSITY of IDAHO WWAMI Medical Education Building Improvements and Expansion – Additional Project Authorization Request – Planning and Design	Motion to approve
9	UNIVERSITY of IDAHO Amendment to Media Rights Contract - Learfield	Motion to approve

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AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY 2019 Line Item Budget Requests

REFERENCE

April 2017 Board approved guidance to the 4-year institutions regarding submission of line item requests

June 2017 Board directed the Business Affairs and Human Resources Committee to review the line items and to bring recommendations back to the Board for its consideration at the regular August Board meeting

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.1.
Title 67, Chapter 35, Idaho Code

BACKGROUND/ DISCUSSION

As discussed at its April 2017 meeting, the State Board of Education (Board) directed the college and universities to limit Fiscal Year 2019 budget line item 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.

At its June 2017 meeting, the Board directed the Business Affairs and Human Resources (BAHR) Committee to review the FY2019 line items and to bring recommendations back to the Board for its consideration at the regular August Board meeting

Subsequently, BAHR met with staff and representatives from Division of Financial Management and Legislative Services Office. The result of the meeting produced general comments regarding all line items and specific questions on individual line items, which were provided to each college and university in one-on-one conference calls with staff. General comments included the following:

- While most requests were specific in what resources (dollars, people, equipment) were being requested, there were many cases in which the output or result or return on the requested investment was missing or vague. BAHR members hoped that there would be mention of any impact on output and the 60% goal, in cases where that would be applicable. In other words: "what is being produced."

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- In some cases, the relative priorities of individual elements within a line item were not clear.
- In some cases, where a request was a continuation of a previous year's appropriation, it wasn't clear how the new request related to the previous year's initiative.
- Many of the requests made no mention of any internal assets that were also being committed to the need area, through Program Prioritization, reallocation, or other possible ways in which the requested new dollars were being leveraged.

The colleges and universities were asked to make revisions to their lines as they considered necessary based on the general and specific comments and suggestions. As of agenda production, those revisions were not available so no revisions are contained in this agenda item. Electronic and hard copies of the revised line items will be available to the Board prior to the August Board meeting.

Career Technical Education (CTE) has one line item for a Financial Officer position that will become part of the new College of Eastern Idaho (CEI). Staff met with representatives of CEI and CTE to discuss line item budget requests. As of agenda preparation, CTE is working to determine the costs that would be included in a line item for that community college. It is hoped by the August Board meeting the CEI line item and a corresponding and offsetting CTE line item reduction will be submitted for the Board's review and approval.

The line items represent the unique needs of the institutions and agencies and statewide needs. Following review, the Board may prioritize the line items for the institutions. The line items are summarized separately, one summary for the college and universities and one for the community colleges and agencies. The detail information for each line item request is included on the page referenced on the summary report.

Included in the Systemwide Needs line items is a placeholder for Outcomes Based Funding. The Higher Education Task Force Funding Formula subcommittee is in the process of framing a funding formula that will include a budget request for FY 2019. It is unknown at this time whether such a request will supersede line items or be a supplement to the line items, so staff is presenting the line items for Board approval if determined necessary going forward.

Following Board approval in August, the budget requests will be submitted to the Legislative Services Office (LSO) and Division of Financial Management (DFM) by September 1, 2017.

IMPACT

The approved Line Items will be included with the FY 2019 budget requests and submitted to DFM and LSO for consideration by the Governor for his FY 2019

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Budget recommendations and by the Joint-Finance Appropriations Committee for funding.

ATTACHMENTS

- ATT 1 - Line Items Summary: College & Universities..... Page 5
- ATT 2 - Line Items Summary: Community Colleges and Agencies Page 6-7
- ATT 3 - Occupancy Costs Page 9
- ATT 4 - Individual Line Items Page 11

STAFF COMMENTS AND RECOMMENDATIONS

There were no material changes to the line items between the June and August meeting materials. Staff will provide electronic and hard copies of the revised agendas before the August Board meeting.

BOARD ACTION

I move to approve the Line Items for the agencies and institutions as listed in Attachments 1 and 2, and to authorize the Executive Director to approve the MCO and Line Item budget requests for agencies and institutions due to the Division of Financial Management and Legislative Services Office on September 1, 2017.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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SUBJECT

FY 2019 Capital Budget Requests

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.8. and Section V.K.

BACKGROUND/DISCUSSION

The capital projects request process is separate from the line item budget request process. The Permanent Building Fund Advisory Council (PBFAC), which is supported by the staff of the Division of Public Works (DPW), has three major areas of focus when it considers and develops recommendations on institutional and agency requests for fiscal year construction projects: a) major new construction or remodeling projects, typically costing well over \$1M (referred to as “Capital” or “Part A” projects); b) smaller alteration and repair projects (referred to as “A&R” or “Part B” projects); and c) projects to comply with the Americans with Disabilities Act (“ADA” projects). The institutions must provide their detailed requests to DPW by August 1st, accompanied by updates to the institutions’ rolling six-year capital project budget (“Part C”) plans. The PBFAC will hear agency/institution capital project, A&R, and ADA requests in October. Subsequently, DPW and the PBFAC will review all requests for projects involving Permanent Building Fund (PBF) dollars, and will develop a (much scaled-down) list of recommended projects for all state entities to fit the projected available PBF dollars for the upcoming legislative cycle. DPW will work with the Division of Financial Management (DFM) and the Legislative Services Office (LSO) to develop, in turn, the Governor’s recommendation and the Legislature’s appropriation for capital, A&R, and ADA projects.

The construction and maintenance needs of the higher education institutions (with deferred maintenance needs estimated in hundreds of millions of dollars) far exceed the PBF dollars available for rationing by the PBFAC, Governor and Legislature. For example, for FY2018, approximately \$71.4M in PBF funding was available (approximately \$55.3M for capital projects, \$13.9M for A&R projects, and \$2.2M for ADA, asbestos, and Capitol Mall parking projects) to address over \$190M in statewide requests.

This agenda item deals with Board approval only for the capital project (Part A) requests and projected six-year capital project plans (Part C) from the four 4-year institutions and the technical college. Summaries of the community colleges’ capital project requests are provided for information only—those requests are vetted by the community colleges’ local governing boards prior to submission to PBFAC. This agenda item does not deal with A&R and ADA requests. Institution capital budget requests and projected six-year capital plans are shown beginning on Page 7. Projects shown have been prioritized by each institution. A number of these projects were also included in the FY 2018 institution request lists previously approved by the Board. The project descriptions provided below were prepared by the institutions.

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Review of FY2018 PBF appropriations:

In FY2018, Boise State University (BSU) was funded \$10,000,000 for its Center for Materials Science, Idaho State University (ISU) was funded \$10,000,000 for its Gale Life Science remodel, the University of Idaho (UI) was funded \$2,400,000 for its WWAMI Building remodel and \$10,000,000 for its Center for Agriculture Food and Environment, and Lewis-Clark State College (LCSC) was funded \$10,000,000 for its Career Technical Education Building.

FY2019 Capital Project Requests:

BSU's first priority is for a new academic building for the School of Public Service. The new facility will be located along Capitol Boulevard and University Drive at the primary western entrance to Boise State's campus. The proposed site is adjacent to the Micron Business and Economics Building, emphasizing the equal importance of public and private sector fields of learning. An estimated four to five-story building will include at least 80,000-100,000 square feet.

BSU's second priority is for dedicated space for the College of Innovation and Design (CID). CID is currently located on the 1st and 2nd floors of Albertsons Library in a combined area of roughly 10,000 square feet. Due to program success and increasing enrollment, CID will quickly outgrow this facility and require a dedicated space of its own. The requested funds will support the construction of an addition, renovation or a new facility to provide CID a space that consolidates all of its existing programs, as well as adequate space for future growth.

BSU's third priority is for a Science Laboratory Building. The proposed new Laboratory Building is identified on the 2015 Campus Master Plan and is intended to help meet the demand for teaching and research labs. With 16,000 – 22,000 net assignable square feet, approximately 10-12 teaching and/or research labs could be provided in the facility. Labs would likely be focused on chemistry or biology. However, the labs could be used to accommodate other STEM programs, such as Engineering Health Sciences and Physics. This building would likely provide space to accommodate departmental growth for the next 5-8 years.

ISU's first priority is for a Health and Wellness Center. This project will construct a new 94,000 square feet building that will provide space for the integration of medical and ancillary health clinic services at ISU. It allows the University to provide "one stop" shopping for patients by co-locating the Family Medicine Residency Clinic with University Health, Bengal Pharmacy, Psychiatry Residency Clinic, Speech and Hearing, Physical and Occupational Therapy, Radiology, Counseling, and Nutrition and Dietetics. The project will also provide additional space for expansion or clinic space for other potential community partners that will share in the cost of the project.

ISU's second priority is to relocate the College of Technology programs to the William M. and Karin A. Eames Advanced Technical Education and Innovation Complex. To accomplish this project approximately 113,000 square feet of the building will require renovation.

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ISU's third priority is to remodel the basement of Frazier Hall. Dressing and green room areas located beneath the stage in the Frazier Hall basement need complete restoration. It is intended to allow for men's and women's separate areas, upgrade of makeup rooms, ADA restrooms, laundry rooms, and hallways.

ISU's fourth priority is for the completion of the Master Plan for ISU-Meridian. This includes the expansion of clinics and the expansion of Dental Hygiene, Physical Therapy and Occupational Therapy programs.

UI's first priority is for Library renovations including an addition of 14,900 square feet of improvements to the third floor of the Library to house an improved Special Collections and Archive Facility as described in the 2009 Library Master Plan. UI's second priority is for a Research and Classroom facility which is envisioned to house offices, and office suites, computational research space, classrooms and other support spaces in an approximately 40,000 square foot facility located at the intersection of the 7th Street and Line Street pedestrian malls on the Moscow campus.

LCSC's first priority is for a Career Technical Education Center. This is a joint effort with the Lewiston School District as they initiate construction of a new high school and Career Technical Education Center that will be adjacent to property owned by LCSC and the City of Lewiston on Warner Avenue in the Lewiston Orchards. The project will be owned and operated separately from the high school but will collaborate with the high school in providing technical education for high school students, as well as the post secondary population within the region.

The community colleges' six-year capital construction plans are listed for information only.

The College of Southern Idaho's request is for \$829,000 for the remodel and modernization of 25,000 square feet of existing classrooms and offices constructed in 1976. All funding is from PBF funds.

The College of Western Idaho's (CWI) first priority is for a Nampa Campus Health Science Building consisting of four floors. This project will complete the first three (3) floors and 85,000 square feet providing space for use within the Health and Science related curriculum. The fourth floor will have shell and core complete for future growth. CWI's second priority is for the design and site development for their Boise campus building located at Main and Whitewater Blvd. All other costs for this \$60M project will be funded from CWI funds. New owned facilities are required for accreditation to support long-term feasibility and to better serve the community. It is anticipated that this first phase building will support approximately 200,000 square feet.

IMPACT

Only Board-approved major capital projects can be forwarded to the PBFAC. Following Board approval, DPW, PBFAC, DFM, and LSO will be informed of the Board's recommendations. A Board representative will brief the PBFAC on the Board's decision and any comments at the October PBFAC meeting, prior to agency presentations of their FY2019 requests.

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Board Policy V.K. requires institutions to bring their six-year capital project plans to the Board for review and approval at its regularly scheduled August meeting. These plans span six fiscal years going forward, starting with the upcoming fiscal year (FY2019). Board approval of a six-year plan constitutes advance notice to the Board that an institution or agency may bring a request at a later date for approval for planning and design for one or more of the projects in the institution plan. The institutions can, and very frequently do, update the years two through six components of their six-year plans, based on the approved funding and outcomes of their year one requests. Board approval of the six-year plans also allows the institutions to solicit and accept gifts in support of the projects listed in the approved plans.

ATTACHMENTS

Attachment 1-FY19 Major Capital Request Summary	Page 5
Attachment 2-Boise State University Six-year Plan	Page 7
Attachment 3-Idaho State University Six-year Plan	Page 8
Attachment 4-University of Idaho Six-year Plan	Page 9
Attachment 5-Lewis-Clark State College Six-year Plan	Page 10
Attachment 6-Eastern Idaho Technical College Six-year Plan	Page 11
Attachment 7-Capital Project Summaries for agencies & institutions	Page 13

STAFF COMMENTS AND RECOMMENDATIONS

Although current levels of funding from the PBF and other sources are not sufficient to meet the facility needs of the institutions, it is appropriate for the institutions and the Board to highlight the most urgent infrastructure needs in the system. An effective review and rationing system is in place to allocate available dollars to the highest need projects for the FY2019 budget cycle. The FY2019 capital project requests from the institutions are reasonable, and they reflect continuity with previous capital planning efforts. The longer-term wish lists in the rolling six-year capital plans, while largely hypothetical, are a useful advance planning tool. Staff recommends approval of the institutions' FY2019 capital project requests and their six-year capital project plans.

BOARD ACTION

I move to approve the capital projects listed in the table in Attachment 1 on Page 5 from Boise State University, Idaho State University, the University of Idaho, and Lewis-Clark State College for submission to the Permanent Building Fund Advisory Council for consideration for Permanent Building Fund support in the FY2019 budget cycle.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to approve the Six-Year Capital Improvement Plans for FY2019 through FY2024 for Boise State University, Idaho State University, the University of Idaho, Lewis-Clark State College, and Eastern Idaho Technical College, as provided, in attachments 2-6.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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ATTACHMENT 1

**State Board of Education
FY19 Major Capital Request Summary
(\$ in thousands)**

Board Priority	Institution/Agency & Project	Detail Page	Total Project Cost		FY 2019 Request
			Perm. Building Fund	Total Funds	
1	Boise State University				
2	1 New Academic Building	13	10,000.0	30,000.0	10,000.0
3	2 College of Innovation and Design	17	10,000.0	15,000.0	10,000.0
4	3 Science Laboratory Building	21	10,000.0	15,000.0	10,000.0
5	Idaho State University				
6	1 ISU Health and Wellness Center	25	32,085.0	44,924.0	32,085.0
7	2 Relocate COT programs to the Eames building (Phase 2)	28	6,510.0	6,510.0	6,510.0
8	3 Remodel Frazier Hall basement	30	1,299.7	1,299.7	1,299.7
9	4 Meridian expansion	32	2,300.0	2,300.0	2,300.0
10	University of Idaho				
11	1 Library Renovations and Student Success Improvements	37	5,640.0	5,640.0	2,400.0
12	2 Research and Classroom Facility	43	8,000.0	24,000.0	4,000.0
13	Lewis-Clark State College				
14	1 Career-Tehcnical Education Center	49	10,000.0	20,000.0	10,000.0
15	College of Southern Idaho				
16	1 Canyon Building Remodel and Modernization	51	829.0	829.0	829.0
17	College of Western Idaho				
18	1 Nampa Campus Health Science Building	53	2,500.0	46,000.0	2,500.0
19	1 Boise Campus Building & Site Development	54	750.0	60,000.0	750.0
20					
21	Total		\$ 99,913.7	\$ 271,502.7	\$ 92,673.7

Note: Information in the table above on the Community College capital project requests is provided for information only—Board approval for these requests is not required.

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**BOISE STATE UNIVERSITY, IDAHO STATE UNIVERSITY, and
UNIVERSITY OF IDAHO**

SUBJECT

Report on National Collegiate Athletic Association (NCAA) Academic Progress Rate (APR) Scores

REFERENCE

August 2016

Board received annual NCAA APR Report

BACKGROUND/DISCUSSION

NCAA instituted the APR tracking system in 2004 in response to public concerns over academic performance and graduation rates among student athletes. The system has evolved over time, and the process is now adjusting to changes implemented in 2011 at the behest of NCAA college presidents. The APR is determined by using eligibility and retention data for each student-athlete on scholarship during an academic year. Student-athletes are awarded points for each semester they are enrolled and for each semester they are eligible for intercollegiate competition. The single and multi-year APR is determined as a percentage of points earned divided by total points possible for that cohort, with the resulting number multiplied by 1,000. The highest possible score for a team is 1000 (as calculated by the process described in the paragraph below). The NCAA calculates the APR rate as a four-year rolling average. Currently, the benchmark minimum score for each sport is 930, which the NCAA equates with a 50% graduation rate. Teams that fall below the 930 minimum are subject to sanctions which may include loss of scholarships. APR averages which fall below 900 over time may also include restrictions on practice time, loss of post-season competition eligibility, and other penalties.

Calculation of the APR. A team's APR cohort for a given year is composed of student-athletes who receive financial aid based on athletic ability; if a team does not offer athletic aid, then the cohort consists of those student-athletes who are listed on the varsity roster on the first day of competition. Each student-athlete in the APR cohort has the ability to earn two points for each regular academic term of full-time enrollment. One point is awarded if the student-athlete is academically eligible to compete in the following regular academic term. The other point is awarded if the student-athlete is retained by the institution (i.e., returns to school as a full-time student) in the next regular academic term. Student-athletes who graduate are given both the eligibility and retention points for the term. Squads can also earn a delayed graduation point if a student-athlete who left the institution without graduating returns to the institution and graduates. At the start of each academic year, each Division I team's APR is calculated by adding all points earned by student-athletes in the team's cohorts in each of the previous four years, dividing that total by the number of possible points the student-athletes could have earned and multiplying by 1,000. Thus, an APR of 950 means that the student-

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athletes in the cohort earned 95 percent of the eligibility and retention points that they could have earned.

Eligibility and Retention Rates. A squad's eligibility rate is calculated by taking all of the eligibility points earned during the previous four years, dividing that total by the number of eligibility points that could have been earned during that time and multiplying by 1,000. A squad's retention rate is calculated similarly using retention points earned and retention points possible.

IMPACT

APR reports from the three NCAA member institutions are provided. All three institutions report that they are meeting the 930 APR benchmark and/or are making progress toward that goal with the two exceptions: Football and Men's Cross Country at University of Idaho. Both of these teams were granted exceptions by the NCAA which provided relief to the post-season ban and associated penalties.

ATTACHMENTS

Institution narrative and NCAA 2015 – 2016 Academic Progress Rates	
Boise State University APR Summary	Page 5
Boise State University APR Report by Subgroups	Page 6
Boise State University APR Report with Eligibility and Retention	Page 9
Idaho State University APR Summary	Page 11
Idaho State University APR Report by Subgroups	Page 13
Idaho State University APR Report with Eligibility and Retention	Page 15
University of Idaho APR Summary	Page 17
University of Idaho APR Report by Subgroups	Page 18
University of Idaho APR Report with Eligibility and Retention	Page 20

STAFF COMMENTS AND RECOMMENDATIONS

Overall, each of the three NCAA member institutions is making marked progress in APR scores. After any adjustments granted by the NCAA, all teams at all three of the universities have met the four-year 930 APR benchmark, with the exception of Football and Men's Cross Country at the University of Idaho (however, both teams were provided exemptions from the NCAA which relieved imposition of post-season competition sanctions). The APR system is a useful element in institutions' toolkits to track and encourage academic success for student athletes. When coupled with additional measures, such as grade point averages and graduation/degree completion results, the APR can provide performance metrics to support data-informed decisions and effective engagement by athletic departments and senior university leadership in support of the Board's academic goals.

This year staff has asked each institution to provide two formats for the APR reports. Both reports show the single and multiyear APR scores. The first report shows the percentile rank within the sport, all sports, Division I, public institutions, Football Bowl Subdivision, Football Championship Subdivision, and finally Division

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football). The second report includes the Multi-year Rate Upper Confidence Boundary and the multiyear and single year APR scores for Eligibility/Graduation and for Retention.

Multiyear Rate Upper Confidence Boundary. A squad-size adjustment is a statistical margin of error, or confidence interval, applied by the NCAA when limited data are available to estimate a team's APR with appropriate confidence. The adjustment helps ensure that small squads are not penalized unfairly based on a small set of observations. Confidence intervals, commonly used in statistics, roughly represent a range of scores within which the true APR likely resides. The upper confidence boundary of a team's APR has to be below 925 for that team to be subject to APR penalties. The squad-size adjustment currently only applies to squads with three or fewer years of data or four-year cohorts of fewer than 30 student-athletes.

BOARD ACTION

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

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SUBJECT

Update on Cybercore Integration Center (CIC) and Collaborative Computing Center (C3) facilities project

REFERENCE

May 2016	Idaho State Board of Education (Board) received status update on progress of CIC/C3 project.
August 2016	Board approved exploration of cooperative project for the CIC/C3 facilities with Idaho National Laboratory (INL), contingent upon Board's final approval of the project at a future date.
September 2016	Board approved submission of a draft concurrent resolution on the CIC/C3 facilities project to the 2017 session of the Idaho Legislature.
February 2017	Board authorized Executive Director to make purchase offer for acquisition of Idaho State University Foundation-owned parcel for siting of the CIC facility.
March 2017	Legislature approved Senate Concurrent Resolution 105, authorizing Board to enter into arrangements with Idaho State Building Authority (ISBA) for financing and construction management of the C3 and CIC facilities.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Staff will present a brief update on the status of activities related to planning and construction of the new CIC and C3 facilities, including the following areas:

- Update on proposed facility sites, surveys
- Construction Manager at Risk (Request for Quotation results and vendor selection)
- Document updates (lease, sub-lease, purchase agreement, etc.)
- Educational collaboration discussions
- Financing (bond) process
- Project schedule
- Anticipated future Board actions (including legislative follow-up)

Key issues remaining for resolution in the negotiation and drafting of the subleases between Battelle Energy Alliance (as sublessee) and the Board (as sublessor) include:

- inclusion of the legislative requirement that throughout the term of the sublease there be a collaboration between INL and Idaho's public higher

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- education institutions for research and educational opportunities in order to ensure that the facilities will be of public use and will provide a public benefit;
- clarification that the Board is not responsible for the design or construction of the two buildings; and
 - clarification regarding responsibility of payment for any extraordinary conditions and repairs beyond the scope of routine maintenance.

Board approval will be required for the following key legal documents related to the project:

- the purchase agreement for the parcel owned by the Idaho State University Foundation by the Board;
- the ground lease of the two parcels by the Board as lessor to the Idaho State Building Authority (ISBA) as lessee;
- the development agreement between the ISBA and the Board regarding the construction of the two buildings by the ISBA;
- the Facility Lease of the two buildings by the ISBA as lessor to the Board as lessee; and
- and the subleases of the two buildings by the Board as sublessor to Battelle as sublessee.

As specified in Senate Concurrent Resolution 105, the Board and ISBA must report final lease terms and financial details to the Joint Finance-Appropriations Committee, the Senate Education Committee and the House of Representatives Education Committee. The feasibility of the project is also subject to ISBA being able to obtain financing through the bond market, at interest rates that are compatible with the projected lease rates for the facilities.

IMPACT

In accordance with the intent of the Legislature, the proposed project must provide opportunities for collaboration in research-related and other educational activities among the Idaho National Laboratory (INL), the research universities, and other components of Idaho's public education system. In addition to collaborative efforts which will take place on site at the two new facilities, the capabilities made possible by the C3 and CIC facilities should also support educational programs carried out at the research universities at higher education locations throughout the state.

STAFF COMMENTS AND RECOMMENDATIONS

Staff will provide a status update on activities and negotiations, current through the day of the Board meeting, and will be ready to answer questions from Board members.

BOARD ACTION

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

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BOISE STATE UNIVERSITY

SUBJECT

Construction of Micron Center for Materials Research

REFERENCE

August 2015	Idaho State Board of Education (Board) approved Six-Year Capital Improvement Plan
October 2015	Board approved planning and design of Center for Materials Science Research
February 2016	Board approved name Micron Center for Materials Research

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Boise State University (BSU) seeks Board approval for the construction of the Micron Center for Materials Research.

In October of 2015, after receiving a \$25 million gift from Micron, BSU received Board approval for planning and design of a new Center for Materials Research to support the growth and prominence of the Materials Science and Engineering (MSE) program. This program is the leading program in the northwest and the PhD program has the largest enrollment of any doctoral level engineering program in Idaho. The Division of Public Works (DPW) was authorized to secure design services and the architectural design team of Hummel Architects/Anderson Mason Dale (AMD) was selected and is in the process of completing design development documents. Hoffman Construction was selected as the construction manager at risk and has been providing input related to constructability, cost and timeline.

The new state-of-the-art building will be located on University Drive on the block directly west of the Engineering Building/Micron Engineering building. The location and design of the building have been thoughtfully considered to showcase the engineering and research mission of the building and to allow for easy access to the new academic space.

The building will provide approximately 97,000 gross square feet including world class research laboratory and computational spaces that will ultimately accommodate MSE faculty/principal investigators in all of the following areas: DNA/bio nano, thin films, applied electrochemistry, computational, and materials chemistry research. In addition to the laboratory spaces, the building will house

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teaching laboratories, departmental and faculty offices, graduate student and post-doctoral spaces, informal learning areas, and associated support spaces.

The building also includes a large tiered lecture hall and two 80 seat classrooms, which have been designed to facilitate active learning teaching methodologies. These new classrooms will be general assignment classrooms and will help offset BSU's need for additional medium/large classrooms on the southeastern portion of campus. A program summary has been included as Attachment 1.

This project is anticipated to go out to bid in December 2017. Construction will be completed in early spring 2020 with occupancy the summer of 2020.

IMPACT

This project will be procured through the construction manager at risk process through the State of Idaho Division of Public Works and/or the State of Idaho Division of Purchasing standard processes as appropriate.

Current cost estimates include a construction cost of \$42.2 million. Contingencies, architectural and engineering fees, commissioning, testing and other administrative and soft costs bring the estimated total project cost to \$50.5 million.

Portions of the work, including build-out of the third floor laboratories and offices and a portion of the first floor labs will be bid as additive alternates in an effort to assure a successful award within the budget. Even with the margin which additive alternates may provide, continuing volatility and inflation in the construction market create risk for BSU. Accordingly, BSU has incorporated contingency funds into the estimated project cost should they be necessary to award the bid. In the event that bid and alternate results come in below estimates, BSU may proceed with the purchase and installation of furniture, fixtures and equipment for this project within the budget authorized by the Board.

The funding for the project leverages the strategic facility fee by utilizing several additional funding sources including a donation from the Micron Corporation, \$10 million in Permanent Building Fund (PBF) Major Capital Project funding and additional cash donations and pledges. The projected funding package is as follows:

PBF funds (FY2018):	\$10,000,000
Advancement via Fundraising:	\$25,500,000
Strategic Facilities Fees Bonds:	<u>\$15,000,000</u>
Total	\$50,500,000

This project will be brought back to the Board for financing approval prior to contract award.

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ATTACHMENTS

Attachment 1 – Program Summary	Page 5
Attachment 2 – Project Budget	Page 6
Attachment 3 – Capital Project Tracking Sheet	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

BSU's request conforms to all requirements established for capital construction projects specified in Board Policy V.K. Board approval of the financing plan for the project will be sought in a separate Board action, in accordance with current Board policy.

Staff recommends approval

BOARD ACTION

I move to approve the request by Boise State University for construction of the Materials Science Research Center for a total cost not to exceed \$50.5 million subject to financing approval at a future Board meeting.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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IDAHO STATE UNIVERSITY FOUNDATION

SUBJECT

Bengal Pharmacy Annual Report

REFERENCE

February 2013	Implementation of the Bengal Pharmacy, a limited liability company, was presented to the Idaho State Board of Education (Board) as an information item; referred to the Business Affairs and Human Resources (BAHR) committee for review.
April 2013	Board approved ISU Foundation's request for implementation of the Bengal Pharmacy, a limited liability company, and establish a maximum of two pharmacies and report progress to the Board after the first year of operation.
June 2014	Annual Report of the Bengal Pharmacy reported to the Board.
April 2015	Board approved ISU Foundation's request for expansion of a telepharmacy to Challis.
December 2015	Board approved ISU Foundation's request for expansion of a telepharmacy to Council.
March 2016	Board provided ISU Foundation with criteria for future telepharmacy expansion

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.E.2. and I.J.1.a.

BACKGROUND/DISCUSSION

After approval by the Board in April 2013, the Idaho State University Foundation (ISU Foundation) created the Bengal Pharmacy with the intent of enhancing the student educational experience, College of Pharmacy faculty research opportunities, revenue generation, and to provide needed service to partner communities. All of these goals have been met.

Bengal Pharmacy, located on the Pocatello campus, provides community pharmacy services to faculty, staff, and students as well as the wider local community. In June of 2014, Bengal Pharmacy collaborated with Lost Rivers Medical Center to open a remote dispensing site (telepharmacy) in Arco, Idaho and, in July 2015, in Challis, Idaho. Both towns had lost their only community pharmacy and Bengal Pharmacy partnered with the communities to re-establish this valuable service. Without the telepharmacy services the next-nearest pharmacy would have been a 120 mile round-trip to Blackfoot or, in the case of Challis, to Salmon (130 miles round-trip). A similar arrangement was established in March 2017 with Adam County Health Center in Council, Idaho (50 miles one-

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way from the next nearest pharmacy). Additionally, the pharmacy operation enhances the economic viability of critical access hospitals and clinics by allowing for 'one-stop shopping' within the community and keeping care, and business, in town.

The development of Bengal Pharmacy's telepharmacy program required close collaboration with the Idaho Board of Pharmacy. Telepharmacies are only allowed in communities without any other pharmacy services; the Board of Pharmacy has only approved telepharmacy sites greater than 15-20 miles from the next nearest pharmacy. Under this model, Bengal's telepharmacies are staffed with certified pharmacy technicians, but the supervising pharmacist is located in Pocatello at the Bengal Pharmacy site on campus.

This system serves as an important model for students to learn about pharmacy delivery and business practices in remote locations. In addition, College of Pharmacy faculty members have received several grants to support research on telepharmacy services.

Bengal Pharmacy has learned a great deal about models for delivering and growing telepharmacy services. Subsequently, several communities in rural Idaho have approached Bengal Pharmacy to develop additional telepharmacy sites. These communities are lacking or at risk of losing pharmacy services. The latest community indicating an urgent need for telepharmacy services is Kendrick. Kendrick is at least 50 miles round trip to the next nearest pharmacy.

This agenda item is included to provide the Board with an annual update of Bengal's operation.

IMPACT

The ISU Foundation, Bengal Pharmacy, and the College of Pharmacy believe the telepharmacy model is advantageous to both the institutions and to the partner communities served. The program does not require any financial resources from the state, as it is self-sufficient. Expansion of the telepharmacy service is expected to enhance health in the communities served, increase program profitability, and expand the educational and research opportunities within the University. No telepharmacy expansion will ever occur in communities with existing pharmacy services.

The ISU Foundation and Bengal Pharmacy will continue to provide the Board with annual updates on these programs.

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ATTACHMENTS

Attachment 1 - Annual report slide deck

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

In May 2017, the Board's Executive Director approved expansion of the Bengal Pharmacy program to include a telepharmacy operation in Kendrick, Idaho, in collaboration with Gritman Medical Center (Moscow, Idaho). The Business Affairs and Human Resources Committee was briefed on this program expansion in June 2017, in accordance with previously-established Board protocol for Bengal Pharmacy expansion initiatives.

BOARD ACTION

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

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IDAHO STATE UNIVERSITY

SUBJECT

Approval of License Agreement for Space and Joint Operations and Service Agreement between Idaho State University (ISU) and the Idaho College of Osteopathic Medicine (ICOM) for use of the expanded ISU Anatomy and Physiology Lab.

REFERENCE

February 2016	Idaho State Board of Education (Board) approved a Collaborative Affiliation Agreement.
August 2016	Board approved execution of a Ground Lease for ICOM to build its medical education building on the ISU Meridian campus.
February 2017	Board approved the Anatomy and Physiology Lab Building Addition on the ISU Meridian campus.

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

On February 25, 2016, in a special meeting of the Board, ISU was authorized to execute the Collaborative Affiliation Agreement between ISU and 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, ISU will lease 2.8 acres, owned by ISU, on which ICOM will build its school and related improvements.

Pursuant to Section 5.d. of the Ground Lease, ICOM “shall not provide or offer, directly, or through third parties, any new facilities, programs, or services, including but not limited to anatomy and physiology laboratories, without prior written approval from ISU, that would duplicate, infringe, or compete with current or planned health science academic or health science research programs and/or impact ISU’s strategic planning for expansion of new, allied, or existing health science programs; provided, however, in no event shall this Section 5.d. limit or impact [ICOM’s] right to operate for the Permitted Use. Upon mutual, written agreement by the Parties, [ICOM] will have access to ISU facilities and services, such as the anatomy and physiology laboratories, necessary for its medical education.”

ISU currently has an anatomy and physiology lab (A&P Lab), and ICOM would like to use the space for training its students. However, ISU’s A&P Lab is not large

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enough to accommodate ICOM's students and ISU's growing need for lab space as it expands its programs.

To assist with this need, ICOM will pay up to \$2.5 million to build out the space to add an additional 3,795 square feet to the A&P Lab in exchange for a 40-year license agreement to use the space for 205 hours per year. The Division of Public Works (DPW) has already begun preliminary work so the A&P Lab will be ready for use in August 2018.

The proposed License Agreement (at Attachment 1) is contingent upon the parties' execution of a mutually-acceptable Joint Operation and Services Agreement (JOSA), which will become Exhibit B of the Agreement. The proposed JOSA document is found at Attachment 3.

IMPACT

ICOM will pay up to \$2.5 million for the cost of construction to increase the amount of laboratory space in ISU-Meridian for use by both ISU and ICOM. ISU will own the space. Arrangements for operating the A&P lab, for ordering supplies, and for recouping direct costs from ICOM will be managed by a Laboratory Advisory Committee, comprised of representatives of ISU and ICOM, who will report, respectively, to the ISU Vice President for Health Sciences and the Dean/Chief Academic Officer of ICOM.

ATTACHMENTS

Attachment 1 - License Agreement for use of A&P Lab space	Page 5
Attachment 2 - Schematic diagram of expanded A&P Lab	Page 15
Attachment 3 - Joint Operations and Services Agreement	Page 17

STAFF COMMENTS AND RECOMMENDATIONS

The expansion of the ISU A&P lab was approved by the Board in February 2017, as a component of a revised ISU six-year capital plan, which added this project to the previously-approved ISU FY2018 six-year plan. ISU received a Permanent Building Fund (PBF) allocation for its number one capital project request for FY2018, and, with limited institutional reserves, the A&P Lab project, with its projected 2018 commissioning date, was made possible by up-front funding provided by ICOM. While funding for the lab expansion is being provided by ICOM, ISU is working through DPW for the design and construction of the facility. The Permanent Building Fund Advisory Council (PBFAC) approved preliminary design of the project and authorized ISU and DPW to proceed with the planning and specification phase of the project at the PBFAC meeting on August 1, 2017. The university anticipates that it will return to the Board in October 2017 for approval to move forward into the construction phase of the project. Construction is expected to commence in November 2017, and substantial completion of the expanded lab is planned for July 2018.

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The proposed License Agreement for Space and Joint Operations and Services Agreement (JOSA) establish the procedures through which ICOM will share the A&P Lab space for a projected 230 hours out of a total 900 hours of available lab hours per year. This represents approximately 23% of the available lab hours. In exchange for its investment of not more than \$2.5 million for the lab expansion project, ICOM will be gaining access to the entire lab facility for 40 years—and, in exchange for that \$2.5 million investment, ISU will be covering direct and indirect costs including utility and daily operating costs, laboratory fixtures and equipment, dissection tables and instruments, carts, tables, 3D models, and surgical lights, etc. ICOM will reimburse ISU for the cost of supplies/consumables and other expenses as determined by the Laboratory Advisory Committee. Under the proposed JOSA arrangements for the Laboratory Advisory Committee, unanimous consent of the ISU and ICOM representatives is required before any matters are considered to be approved. This appears to establish a veto power for both parties on some operations of ISU's A&P Lab.

BOARD ACTION

I move to authorize Idaho State University to enter into the License Agreement for Space with the Idaho College of Osteopathic Medicine as presented in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AND

I move to authorize Idaho State University to enter into the Joint Operations and Services Agreement with the Idaho College of Osteopathic Medicine as presented in Attachment 3.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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UNIVERSITY OF IDAHO

SUBJECT

Capital Project Authorization Request, Planning and Design Phases, for the Washington, Wyoming, Alaska, Montana and Idaho (WWAMI) Medical Education Building Improvements and Expansion, University of Idaho (UI), Moscow, Idaho.

REFERENCE:

August 2016	Idaho State Board of Education (Board) approved Capital Budget Request and UI six-year capital construction plan
April 2017	Board approved lease agreement with Gritman Medical Park for WWAMI program space

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

This agenda item is an authorization request to allow UI to proceed with the Planning and Design phases of a Capital Project to renovate and expand an existing building on campus—the Business Technology Incubator (BTI) building—and convert it for use supporting the WWAMI Medical Education program at UI. Previous authorization for this effort was achieved through the FY2018 Permanent Building Fund (PBF) process in the amount of \$2,400,000. This agenda item represents an expansion of the initial authorization request for this project effort in the amount of \$1,220,000. The new, revised, total project effort is \$3,620,000. In compliance with Idaho State Board of Education Governing Policies & Procedure, Section V.K.3.a, this Authorization Request is limited to the Planning and Design Phases of the overall effort.

Planning Background

Idaho's WWAMI Medical Education Program is a partnership with the University of Washington School of Medicine and the states of Washington, Wyoming, Alaska, Montana, and Idaho. Students who enter the program are dual enrolled at UI and the University of Washington School of Medicine and complete their foundations phase of medical school at the Moscow campus. Begun in 1971, WWAMI is a nationally accredited medical school program, not a premedical program. Through WWAMI, 40 Idaho medical students complete their first and second year of medical training in Idaho each year.

The state of Idaho has supported the growth of the program over the last few years, doubling the student count from twenty seats to forty seats. Further, the changing curriculum now requires a given cohort to spend 18 months on campus (previously 12 months), resulting in an overlap of student cohorts from one year to the next. Changing pedagogy and accreditation requirements result in the need for more

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collaborative, active learning spaces. Thus, program space needs are growing rapidly, with a need to accommodate 80 students at a time, compared to only 20 students previously.

The WWAMI program has operated out of the 3rd floor of the Student Health Center for many years, supported by anatomy lab space at nearby Washington State University and a dedicated classroom elsewhere on the Moscow campus. The desire is to meet all of these space needs, to include all necessary collaboration and student support spaces for the expanded and overlapping cohorts, and to build collaborative relationships with the medical community in Moscow. To accomplish this, UI is pursuing a strategy of strategically leveraging funds and existing opportunities.

Earlier this year, UI identified an opportunity to lease space in a new Medical Office Building recently constructed by Gritman Medical Center of Moscow. UI sought and received authorization to commission Gritman Medical Center to construct a Morgue and Anatomy Lab facility in the leased space via a tenant improvement process funded as part of the lease expenses. This places the WWAMI Anatomy Lab and an associated Active Learning Classroom within the Gritman Medical Center Campus in Downtown Moscow, and provides WWAMI the opportunity take part in collaborative learning efforts, and programs in conjunction with the resources and staff of the Gritman Medical Center. That project is underway. Construction is expected to start in late September 2017.

In parallel, UI has identified an existing campus building, previously used as a Business and Technology Incubator (BTI), to serve as the new home base for the WWAMI program. This existing, one story building is located on the east edge of campus and is adjacent to, and within visual and walking distance of, the city's medical complex and the Gritman Medical Center. This location is ideal and supports opportunities for further collaboration and synergies with the local medical community desired both by the community and the UI.

A recent feasibility study and analysis finds converting the BTI building will still fall short of fully meeting WWAMI's space needs. For this reason, UI looks to construct an addition to the west side of the facility, providing additional space, primarily for expanded student lab space with supporting small exam rooms. The renovation and expansion of the former BTI will provide expanded student study, interaction, and support space, meeting accreditation requirements for the expanded cohorts. The additional space may also house faculty office and administrative support functions. The apportionment of uses assigned to the addition versus those to be part of the renovation of the existing space will be determined through the planning process.

Proposed Project Description

The renovations funded by UI will provide flexible, active learning classrooms. Other renovated spaces will include faculty offices, updated conference space, and

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student study and support space. These renovations are needed to support the expanded enrollment and revised (UI-based) curriculum of the WWAMI program.

The renovated and expanded space will also provide student clinical lab space and associated small exam rooms. Such spaces support interactive group instruction for the students in conducting medical examinations, patient interview skills, and in developing 'bedside' manners. The expanded space will support both private and group student study spaces dictated under medical instruction accreditation requirements.

Authorization Request

This request is for the requisite Capital Project Design Phase Authorization necessary to plan and design the improvements and expansion of the former Business Technology Incubator in support of the WWAMI program.

The total project effort, including the DPW portion, is currently estimated at \$3,620,000, to include design and construction costs and appropriate and precautionary contingency allowances.

The project is consistent with the strategic goals and objectives of UI. The project is fully consistent with UI's strategic plan, specifically:

Goal One, Innovate – This project supports the needs of the increased cohort sizes in the WWAMI program, previously authorized by the Legislature, and will result in an increased number of medical education graduates in the state of Idaho;

Goal 2, Engage – This project supports collaboration with the medical community with Moscow, and the State of Idaho thus increasing the quality of the educational experiences and opportunities offered to students enrolled in the WWAMI program;

Goal 3, Transform - The WWAMI Medical Education program transforms the lives of the students themselves as they seek to achieve their aspirations in entering the medical professions, and by extension, transforms the lives of their future patients across Idaho.

In addition the project is fully consistent with the principles, goals, and objectives of UI's Long Range Campus Development Plan (LRCDP)

IMPACT

The immediate fiscal impact of this effort is to fund Planning and Design Phase costs of the project, with projected expenditures of approximately \$330,000. The overall project effort is anticipated to be \$3,620,000.

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Overall Project

Funding

State	\$ 2,400,000
Federal (Grant):	
Other (UI)	
Central University	1,220,000
Gifted Funds	<u> </u>
Total	\$ 3,620,000

Estimate Budget

A/E & Consultant Fees	\$ 330,000
Construction	2,490,000
Construction Cont.	249,000
FFE	220,000
Project Cont.	<u>331,000</u>
Total	\$ 3,620,000

ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

The expanded scope of the originally-approved \$2.4 million Permanent Building Fund project is being financed with an additional \$1.2 million in institution funds. Per Board Policy V.K.1., Board approval is required when a project's cost increases by more than \$1,000,000. Following the planning and design phase of this project, UI will return to the Board to obtain approval to proceed with construction. This initiative makes a major contribution to the Board's efforts to expand and enhance medical education and health services throughout the state.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to implement the Planning and Design phases of a capital project for improvements and expansion of the former Business Technology Incubator in support of the curriculum and program needs of the WWAMI Medical Education Program, for an amount not to exceed \$3,620,000, as described in the materials submitted to the Board. Approval includes the authority to execute all necessary and requisite consulting and vendor contracts to fully implement the Planning and Design phases of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
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UNIVERSITY OF IDAHO

SUBJECT

Amendment to media rights contract

REFERENCE

June 2016

Idaho State Board of Education (Board) approved completion of contract negotiations for new contract with Learfield Communications and authorized the Executive Director to sign the completed contract.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.

BACKGROUND/DISCUSSION

The University of Idaho (UI) seeks approval from the Board to amend its existing contract with Learfield Communications, Inc. (Learfield), operating through Idaho Vandals Sports Properties, LLC. The proposed amendment is found in Attachment 1. The current contract which will be amended is found in Attachment 2.

The amendment addresses revised terms negotiated by UI with Learfield which will accomplish the following:

1. A fixed term for the agreement through June 30, 2031 – an additional 10 years over the current contract term of 5 years.
2. A \$600K capital contribution from Learfield to UI. The contribution is to acquire “Improvements” for the Arena (such as a scoreboard or electronic reader board) which are to be purchased from a Learfield company (ANC Sports Enterprises).
3. Clarification of UI’s payment to Learfield relating to the Albertsons signage on the arena scoreboard (the total payment is to be \$80,000 of the \$500,000 to be received from Albertsons) as well as a promise that Learfield will control rights for the full arena scoreboard advertising once the term of the Albertsons agreement ends. Learfield revenue from this portion of the arena score board will apply towards the revenue sharing hurdle described in 6 below.
4. Transfer of control to Learfield of the football stadium scoreboard signage once the current signage agreements end. Revenue generated by Learfield from the scoreboard will then count towards the revenue sharing hurdle described in 6 below.
5. Increase the total Guaranteed Royalty paid by Learfield to UI over the term of the agreement by \$150,000 over the final 5 years of the amended agreement.
6. Increase the revenue sharing hurdle (after which Learfield revenue is split with UI 50-50) by a total of \$2,855,000 over the term of the amended agreement. Note that the impact of this change will occur only if (and only to the extent) the original revenue sharing hurdles are exceeded.

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IMPACT

The financial impact this item will have includes the \$600,000 contribution to the Idaho Arena project, a reduction of \$20,000 in the payment due Learfield from the Albertsons sponsorship for the Idaho Arena, and an increase in the guaranteed revenue stream from Learfield in the amount of \$150,000.

UI's commitment to the contract terms is extended by 10 years so as to allow time for Learfield to absorb the economic impact of its contribution to the Idaho Arena project.

ATTACHMENTS

Attachment 1 – Proposed Amendment	Page 3
Attachment 2 – Executed Agreement	Page 9

STAFF COMMENTS AND RECOMMENDATIONS

In accordance with Board Policy V.I.3., Board approval is required for contracts for services which, over the duration of a contract, will exceed \$1,000,000 as is the case with the proposed amendment to the existing Learfield contract.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho for approval of the proposed amendment to the Learfield contract in substantial conformance to the terms set forth in Attachment 1 to the Board materials, and to authorize the Vice President for Finance to execute all necessary documents associated therewith.

Moved by _____ Seconded by _____ Carried Yes _____ No _____