

**BUSINESS AFFAIRS AND HUMAN RESOURCES
OCTOBER 19, 2017**

TAB	DESCRIPTION	ACTION
1	FY 2017 SOURCES AND USES OF FUNDS	Information item
2	IDAHO STATE UNIVERSITY Facilities Use Agreement Between ISU and the Idaho College of Osteopathic Medicine (ICOM)	Motion to approve
3	IDAHO STATE UNIVERSITY Amendment to License Agreement Between ISU and the Idaho College of Osteopathic Medicine (ICOM)	Motion to approve
4	UNIVERSITY OF IDAHO Multi-Year Agreement – City of Moscow - Campus Security	Motion to approve
5	UNIVERSITY OF IDAHO Nancy M. Cummings Research, Extension, and Education Center Project – Planning and Design Phases	Motion to approve
6	UNIVERSITY OF IDAHO West Campus Utilities Distribution Systems and Infrastructure Improvements & Expansion Project – Planning and Design Phases	Motion to approve
7	FY 2019 BUDGET REQUEST AMENDMENT	Motion to approve

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SUBJECT

FY 2018 College and Universities “Summary of Sources and Uses of Funds”

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.B.4.b., V.B.5.c. and V.B.6.b.

BACKGROUND/DISCUSSION

The College and Universities receive funding from a variety of sources. A summary of the revenue sources is as follows:

Revenue types include:

Approp: General Funds – State appropriation of state funds

Approp: Endowment Funds – Idaho State University (ISU), University of Idaho (UI) and Lewis-Clark State College (LCSC) are the beneficiaries of income from state endowment lands

Approp: Student Fees – Tuition and Fees approved by the Board; Legislature appropriates spending authority

Institutional Student Fees – Fees approved by the institution presidents

Federal Grants & Contracts – Extramural grants and contracts awarded by the Federal government

Federal Student Financial Aid – Funds passed through to students

State Grants & Contracts – Grants and contracts awarded by the State: may include state scholarships and work study funds

Private Gifts, Grants & Contracts – Other non-governmental gifts, grants and contracts

Sales & Services of Educational Activities – Includes: (i) revenues that are related incidentally to the conduct of instruction, research, and public service and (ii) revenues of activities that exist to provide instructional and laboratory experience for students and that incidentally create goods and services that may be sold to students, faculty, staff, and the general public. Examples would include sales of scientific and literary publications, testing services, etc.

Sales & Services of Auxiliary Enterprises – An institutional entity that exists predominantly to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to the cost of the goods or services. Examples include residence halls, food services, student unions, bookstores, copy centers, health centers, etc.

Indirect Costs/Other – Also known as Facilities and Administrative (F&A) Cost recovery, on many grants an institution may charge a grantor for indirect costs. The expense to the grant is not a specifically identifiable cash outlay but a “recovery” of general overhead costs.

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The institutions' expenditures fall into the following standard functional categories:

Expenditure Categories:

Instruction – expenses for all activities that are part of an institution's instruction program (credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; etc.)

Research – all expenses for individual and/or project research as well as that of institutes and research centers

Public Service -- expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution (e.g. conferences, institutes, radio and television, consulting, museums, etc.)

Library – expenses for retention, preservation, and display of educational materials and organized activities that directly support the operation of a catalogued or otherwise classified collection

Student Services – expenses incurred for offices of admissions, registrar and financial aid, student activities, cultural events, student newspapers, intramural athletics, student organizations, etc.

Physical Plant – all expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant.

Institutional Support – expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as planning and programming operations and legal services; fiscal operations; activities concerned with community and alumni relations, including development and fund raising; etc.

Academic Support – expenses incurred to provide support services for the institution's primary missions: instruction, research, and public service (includes academic administration, galleries, A-V services, etc.)

Athletics – expenses for intercollegiate sports programs are a separately budgeted auxiliary enterprise

Auxiliary Enterprises – an enterprise which exists to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed to operate as a self-supporting activity. Examples include residence halls, food services, student unions, bookstores, copy centers, health centers, etc.

Scholarships/Fellowships – includes expenses for scholarships and fellowships (from restricted or unrestricted funds) in the form of grants to students.

Federal Student Financial Aid – funds passed through to students

Other – institution specific unique budgeted expenditures

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IMPACT

The attached worksheets provide a high level overview of the institutions' sources of funding and expenditures based on the standard categories listed above. The trend analysis shows how the allocation of budgeted revenues and expenditures has changed since fiscal year 2011 excluding any mid-year adjustments (e.g. holdbacks).

ATTACHMENTS

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Attachment 4 – Boise State Annual Report	Page 8
Attachment 5 – Idaho State University Trend Report	Page 9
Attachment 6 – Idaho State University Annual Report	Page 10
Attachment 7 – University of Idaho Trend Report	Page 11
Attachment 8 – University of Idaho Annual Report	Page 12
Attachment 9 – Lewis-Clark State College Trend Report	Page 13
Attachment 10 – Lewis-Clark State College Annual Report	Page 14

STAFF COMMENTS AND RECOMMENDATIONS

Starting in FY 2013, federal student aid was disaggregated from Federal Grants & Contracts on the revenue side and from Scholarships/Fellowships on the expense side since federal aid only passes through the institution to the eligible students.

Institution staff will be available to answer questions from the Board.

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 Facilities Use Agreement between Idaho State University (ISU) and the Idaho College of Osteopathic Medicine (ICOM) for use of ISU Facilities.

REFERENCE

February 2016	Idaho State Board of Education (Board) approved a Collaborative Affiliation Agreement between ISU and ICOM
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 amendment of ISU's six-year capital projects plan and authorized the university to begin engineering and cost-estimating for expansion of the A/P Lab Building Addition on the ISU Meridian campus
August 2017	Board approved a License Agreement between ISU and ICOM for ICOM's use of Anatomy and Physiology Lab space

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND/DISCUSSION

ICOM is working toward provisional accreditation, and the accrediting body—the Commission on Osteopathic College Accreditation (COCA)—requires a contingency plan in the event the ICOM building is not substantially complete and ready for classes in August 2018. ISU has agreed to provide ISU facility space, on a temporary basis, for use by ICOM's students in the event the ICOM facility's completion is delayed. The attached contingency plan meets COCA's requirements and details the specific rooms, days/times, and hourly rental rates for ISU facilities that could be used by ICOM in the event of such a contingency.

IMPACT

Under the proposed Facilities Use Agreement, there would be no negative financial impact to ISU for ICOM's use of ISU spaces, and there would be minimal impact on ISU's scheduling of classes. The agreement will allow ICOM and ISU to separately negotiate through the issuance of schedules on a program by program basis for space should the building not be ready for classes by August, 2018.

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ATTACHMENTS

Attachment 1 – Facility Use Agreement	Page 3
Attachment 2 – Floor Plans Outlining the Temporary Space	Page 11

STAFF COMMENTS AND RECOMMENDATIONS

At the time of writing, construction of the ICOM facility is reported to be at least a month ahead of schedule, and it is unlikely that the proposed Facilities Use Agreement for the sharing of ISU's facilities would be invoked for an extended period of time, or that it would have a negative impact on ISU's execution of its mission and support of ISU students. The agreement establishes rental rates for any ICOM use of ISU facilities.

The proposed agreement deals only with contingency plans in the event that occupancy of the ICOM facility were to be delayed, and is not connected to the contingency planning related to the possible delay of ISU's Anatomy & Physiology (A/P) Lab due to expansion in the scope of the A/P Lab project, which is being addressed in a separate Business Affairs and Human Resources agenda item.

Staff recommends approval.

BOARD ACTION

I move to authorize Idaho State University to enter into the Facility Use Agreement with the Idaho College of Osteopathic Medicine as presented in Attachments 1 and 2.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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IDAHO STATE UNIVERSITY

SUBJECT

Amendment to the License Agreement for Space between Idaho State University (ISU) and the Idaho College of Osteopathic Medicine (ICOM) for use of the ISU Anatomy and Physiology (A/P) Lab

REFERENCE

February 2016	Idaho State Board of Education (Board) approved a Collaborative Affiliation Agreement between ISU and ICOM
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 amendment of ISU's six-year plan and authorized the university to begin engineering and cost-estimating for expansion of the A/P Lab Building Addition on the ISU Meridian campus
August 2017	Board approved License Agreement between ISU and ICOM for the use of A/P Lab space

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

The License Agreement approved by the Board in August 2017 includes a prepayment of \$2.5 million from ICOM, which ISU will use to expand the A/P Lab on the Meridian Health Science Center campus.

In late August 2017, ISU was presented with an opportunity from the ALSAM Foundation to receive a gift that will support the planning and creation of a second floor addition (~6,900 sq. ft.) on top of the previously-proposed A/P Lab expansion. The second floor addition will house instructional, clinical, and research space for ISU health sciences programs. This process may delay the completion of the A/P Lab expansion, therefore, this amendment is necessary to provide ICOM with a contingency plan should the A/P Lab expansion not be completed by August 2018.

IMPACT

The proposed amendment to the License Agreement establishes a contingency plan to deal with a possible delay in the completion of the A/P Lab expansion project as a result of the expanded scope of that project. The plan includes procedures to de-conflict ISU and ICOM use of facilities during any period of delay,

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and has no negative financial or operational impact on the delivery of ISU instruction to ISU students.

ATTACHMENTS

Attachment 1 – Amendment to License Agreement for Space	Page 3
Attachment 2 – Exhibit A - Contingency Plan	Page 7
Attachment 3 – Copy of executed original License Agreement	Page 9

STAFF COMMENTS AND RECOMMENDATIONS

The proposed amendment and its attached contingency plan lay out procedures for ICOM’s use of available ISU facilities in the event of a delay in the completion of the A/P lab expansion, with arrangements to minimize any disruption to schedules and instruction for ISU’s students. The coordination process would make use of the joint ISU-ICOM Laboratory Advisory Committee previously established to coordinate the use of lab space and management of supplies and equipment. The Joint Operations and Service Agreement which was approved by the Board in August 2017 will remain in force. The scope of joint operations will not be impacted by the addition of a second floor to the A/P lab—this new second floor space will be used exclusively for ISU programs and students.

The proposed amendment to the license agreement contains a provision that *“In the event that the Premises are not substantially complete by August 1, 2019, Licensee may terminate this License Agreement upon written notice to Licensor without liability of any kind and Licensor shall repay Licensee the pro-rata balance of the Prepayment Funds within sixty (60) days from the date of such termination.”* Staff received confirmation from ISU administrators that this provision only applies to any remaining funds from the original prepaid \$2.5M from ICOM that are not spent/encumbered by design and construction that occurs prior to termination of the agreement.

The size of the ALSAM gift for this project recently has been made public—approximately \$3.85 million. This will facilitate a significant expansion to the originally-estimated \$2.5 million scope of the A/P Lab expansion project. Having received approval in February 2017 to begin engineering design and cost-estimating for the A/P Lab expansion, ISU will need to return to the Board for approval of the financing plan and the construction phase of the expanded project. Staff recommends approval.

BOARD ACTION

I move to authorize Idaho State University to amend the License Agreement for Space with the Idaho College of Osteopathic Medicine as presented in Attachments 1 and 2.

Moved by _____ Seconded by _____ Carried Yes ___ No ___

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UNIVERSITY OF IDAHO

SUBJECT

Police, Fire, and EMS Services contract approval between the University of Idaho (UI) and the City of Moscow.

REFERENCE

August 2010 Idaho State Board of Education approved Police Service Contract between the UI and the City of Moscow

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3 Acquisition of Personal Property and Services

BACKGROUND/DISCUSSION

UI has contracted with the City of Moscow since 1966 for police law enforcement services. UI's continuing overarching goal is to provide effective police and security services to campus constituencies in a professional, friendly, and collaborative manner. It is important that all students, staff, faculty and visitors are safe—and feel safe—while on the Moscow campus.

The most recent contract between the City of Moscow and UI was approved by the Board at its August 2010 meeting. The proposed contract requires the City of Moscow to provide seven dedicated sworn police personnel to conduct community policing and patrol on the Moscow campus; provide sworn police personnel to provide police support for special events; provide training to various members of the campus community on drug and alcohol abuse, sexual assault, and bystander intervention; assist UI with threat assessments; staff an on-campus police substation; and meet with student leaders to discuss campus related issues. The proposed contract also formalizes the City of Moscow's obligation to provide certain fire and EMS services. Among other things, this portion of the contract requires the City of Moscow to provide fire prevention education services; provide fire response services; maintain a student resident volunteer fire program; provide equipment for special event fire prevention services; and facilitate Emergency Medical Services to UI.

IMPACT

The initial term of this agreement is from October 1, 2017 through September 30, 2020 with one three-year optional renewal. After the three-year optional renewal, the contract will continue on a year to year basis until terminated by either party. Under the contract, UI agrees to pay the City of Moscow \$1,376,920 annually, with a 3% annual rate increase. The UI also agrees to pay extra for police and fire services for special events not listed in the contract. Further, UI agrees to pay one-half of the cost of a future City of Moscow purchase of a Fire Department

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Ladder Truck Engine, which is currently estimated to cost UI approximately \$600,000. This purchase is planned to take place sometime after 2020.

Total value of the contract for the three year initial term plus the three-year renewal, but not including the subsequent year to year renewals, special event costs, or ladder truck purchase, is \$8,906,482.94 for the period from October 1, 2017 to September 30, 2023.

ATTACHMENTS

Attachment 1 – Proposed Contract

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The proposed contract between UI and the City of Moscow will provide the campus community with essential police, fire, and emergency medical services and will help to sustain a safe and healthy “town and gown” relationship between the university and local community. The contract addresses proactive, preventative measures as well as prompt response needs, and it continues the excellent support provided to the campus by the Moscow Police Department and Moscow Volunteer Fire Department.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to enter into a contract with the City of Moscow, in substantial conformance to the proposed contract in attachment 1 to the Board materials, and to authorize the University of Idaho’s Vice President for Infrastructure to execute the final document.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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UNIVERSITY OF IDAHO

SUBJECT

Capital project authorization request for Planning and Design phases of proposed Nancy M. Cummings Research, Extension, and Education Center (NMCREEC) classroom and office facility, Salmon, Idaho

REFERENCE:

August 2017 Idaho State Board of Education (Board) approved capital budget request for Salmon Classroom Building in University of Idaho (UI) six-year plan

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 item is an authorization request to allow the UI to proceed with the Planning and Design phases only of a Capital Project to design and construct a proposed classroom and office facility at the NMREEC. In compliance with Board 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

Nancy M. Cummings Research, Extension, and Education Center, located near Salmon, Idaho, is a setting for environmental education, graduate and undergraduate research by students and scientists, clinical experiences for veterinary students, and public extension activities on a wide variety of topics

Research and extension activities at the NMREEC include pioneering studies on animal identification systems, genetic improvement reproductive efficiency, forage production and grazing practices. Operated by the UI College of Agricultural and Life Sciences via the Idaho Agricultural Experiment Station, NMREEC provides critical and beneficial support to the ranching communities and stakeholders within the State of Idaho.

Project Description

The proposed Classroom and Office Facility to be located at the NMREEC is envisioned to support the full range of research and extension activities provided by NMCREEC.

In late 2016, the College of Agricultural and Life Sciences commissioned a local Architectural firm, DGStamp Architects, of Carmen, Idaho, to perform an initial pre-planning feasibility study and preliminary cost estimate. This study was completed earlier this year and it envisions a facility comprised of offices, work stations, a

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classroom for education and extension activities, and support spaces designed in an architectural aesthetic consistent with the surrounding area.

The new facility will provide office space and work stations for researchers, principal investigators, graduate students, and interns, and NMCREEC's veterinarian, superintendent, and administrative staff.

In addition, the proposed facility will house a classroom sized for 120 persons in support of the NMCREEC outreach, education, and extension missions.

Overall, the facility is planned to be approximately 8,100 s.f. of conditioned space. The project includes necessary and requisite site work, utilities and site development, to include parking for approximately 30 vehicles.

The project is planned to be funded largely through donated and gifted funds, supplemented by funds provided by the College of Agricultural and Life Sciences.

Authorization Request

This request is for authorization to proceed with planning and design of the NMCREEC Classroom and Office Facility. The project is consistent with the strategic goals and objectives of the UI, specifically:

Goal 1, Innovate – This project supports the unique and varied research activities conducted on-site at the NMCREEC which are critical to Idaho's ranching community and economy;

Goal 2, Engage – This project supports delivery of UI's education, outreach, and extension activities conducted by the NMCREEC;

Goal 3, Transform – The education, outreach, and extension activities conducted at NMCREEC have the power to engage the community and transform the lives of students and ranchers alike. Knowledge developed, and disseminated at NMCREEC potentially assists ranchers in the improvement and increased efficiency of their operations, and increased health and vigor of their livestock, while at the same time ameliorating the environmental impact of their activities.

Goal 4, Cultivate – The education, outreach, and extension activities and events supported by the proposed Classroom and Office Facility have the potential to cultivate relationships and improve communication and collaboration between researchers and the greater community.

In addition, the project is consistent with the principles, goals, and objectives related to outreach and extension within UI's Long Range Campus Development Plan (LRCDP)

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IMPACT

The immediate fiscal impact of this effort is to fund planning and design phase costs of the project, with projected expenditures of approximately \$250,100. The overall project effort is anticipated to be \$2,160,000.

Overall Project

Funding

State	\$	
Federal (Grant):		
Other (UI)		
College Funds	300,000	
Gifted Funds	<u>1,860,000</u>	

Estimate Budget

A/E & Consultant Fees	\$	250,100
Construction		1,483,000
Construction Cont.		148,300
Owner Costs & FFE		174,700
Project Cont.		<u>103,900</u>

Total \$ 2,160,000

Total \$ 2,160,000

ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

Pending the successful outcome of the planning and design phase of this capital project, UI will need to return to the Board (per Board Policy V.K.3.b. and V.K.3.c.) to obtain approval to proceed with the construction phase of the project. The capital project is included in the institution's six-year capital construction plan and master campus plan, pursuant to Board Policy V.K.2 and 8.

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 a classroom and office facility at the Nancy M. Cummings Research, Extension, and Education Center, for a total project cost of \$2,160,000, as described in the materials submitted to the Board. This approval includes the authority to execute all consulting and vendor contracts necessary to implement the planning and design phases of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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UNIVERSITY OF IDAHO

SUBJECT

Authorization for planning and design phase of capital project for improvement and expansion of west campus utilities distribution systems

REFERENCE:

August 2017 Idaho State Board of Education (Board) approved capital budget request for West Campus Utilities Extension in UI six-year plan

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 only of a capital project to design and construct West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion. In compliance with Board 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

In the late 1990's the UI engaged in a thorough, robust, and comprehensive Master Planning effort aimed at the development of a Long Range Campus Development Plan (LRCDP) which would guide the physical and capital development of the Moscow campus of UI through 2025 and beyond.

The resulting LRCDP has played a critical role in the development of the UI Campus. Beginning with the Idaho Commons (2000), and carrying through to facilities such as the Student Recreation Center (2001), the J.A. Albertson Building for the College of Business (2002), the Living Learning Communities (2004), the Teaching and Learning Center, (2005), the Integrated Research and Innovation Center (2016), and others, the principles and guidelines in the LRCDP have shaped and informed issues such as siting, massing, and orientation of major campus facilities. The LRCDP has also defined structures worthy of continued investment, thus informing decisions as to which facilities should be renovated and improved, versus those which ought to be maintained without reinvestment in terms of significant renovations.

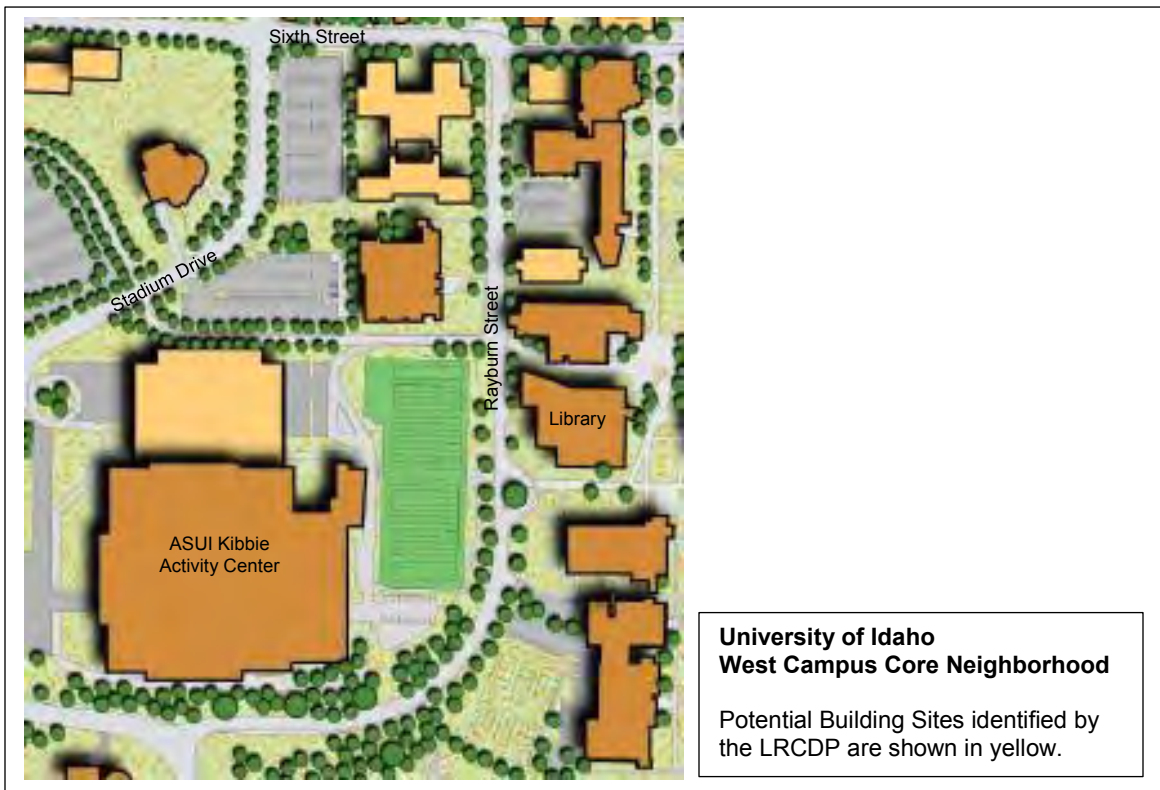
In addition, the Infrastructure Goals and Objectives defined and delineated in the LRCDP have helped to shape UI's capital improvements and maintenance investments in infrastructure systems such as utility distribution systems, roadways, walkways, pedestrian malls, hardscapes and landscapes.

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The LRCDP is not a static document. Since it was first adopted in 1997/98, a series of neighborhood and systems planning efforts conducted under the umbrella of the LRCDP have helped to refine, focus, update, and improve the general planning concepts and principles of the overall plan. As such, the LRCDP continues to serve UI in good stead and guides all campus planning efforts into the foreseeable future.

Proposed Project Description

The scope of the proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion project is to design and implement utility distribution system improvements in the west campus core neighborhood. This is an area generally bounded by Rayburn Street on the east and south, Stadium Drive on the west and Sixth Street on the north. The LRCDP identifies multiple potential building sites in this neighborhood. The intent of this proposed effort is to ensure utilities distribution systems such as steam distribution, chilled water distribution, electrical distribution, domestic water distribution, reclaimed water distribution, sanitary sewer collection, storm water collection, and data/fiber distribution are in place with sufficient capacity to serve these sites.



The site immediately adjacent to the UI Kibbie Activity Center has been long identified in the LRCDP for an event arena. The remainder of the sites are identified in the LRCDP as potential future building sites, with no current

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determination made as to the exact building program to be assigned to each site. In general, however, these sites are in a neighborhood envisioned to support academic education and research facilities. The project will assume loads and capacities based upon this general assumption and seek to ensure utility distribution systems and infrastructure in the areas are sized for the future successful integration of facilities on these sites.

The project is envisioned to be funded with Central University Strategic Investment funds.

Authorization Request

This request is for the requisite capital project design phase authorization necessary to plan and design the proposed West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion on the main campus of UI, Moscow, Idaho.

The project is consistent with the strategic goals and objectives of UI. The project is fully consistent with UI Strategic Plan, specifically the project seeks to develop a robust and capable infrastructure with capacity to support facilities which may be demanded by UI's strategic goals.

In addition, the project is fully consistent with the principles, goals, and objectives of UI's LRCDP, specifically those goals and objectives related to the development of the campus infrastructure and utility distribution systems.

IMPACT

The immediate fiscal impact of this effort is to fund planning and design phase costs of the project, with projected expenditures of approximately \$350,000. The overall project effort is anticipated to be \$3,500,000.

Overall Project

Funding

State	\$	
Federal (Grant):		
Other (UI)		
CSUI Funds	3,500,000	
Gifted Funds		
	<u> </u>	

Estimate Budget

A/E & Consultant Fees	\$	350,000
Construction		2,500,000
Construction Cont.		250,000
Owner Costs		200,000
Project Cont.		<u>200,000</u>

Total	\$	3,500,000	Total	\$	3,500,000
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ATTACHMENTS

Attachment 1 – Capital Project Tracking Sheet

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STAFF COMMENTS AND RECOMMENDATIONS

Pending the successful outcome of the proposed planning and design phase of the project, UI will need to return to the Board (per Board Policy V.K.3.b. and

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V.K.3.c.) to obtain approval to proceed with the construction phase of the project. UI anticipates that planning, design, and construction costs will be met with internal funds. The capital project is included in the institution's six-year capital construction plan and master campus plan, pursuant to Board Policy V.K.2 and 8.

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 to design and construct West Campus Utilities Distribution Systems and Infrastructure Improvements and Expansion, on the main campus of the University of Idaho, for a total project cost of \$3,500,000, as described in the materials submitted to the Board. Approval includes the authority to execute all consulting and vendor contracts necessary to implement the Planning and Design phases of the project.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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SUBJECT

FY 2019 Line Item Budget Requests

REFERENCE

April 2017	Idaho State Board of Education (Board) approved guidance to the 4-year institutions regarding submission of line item requests
June 2017	Board directed the Business Affairs and Human Resources (BAHR) committee to review the line items and to bring recommendations back to the Board for its consideration at the regular August, 2017 Board meeting
August 2017	Board approved agency and institution line item requests and authorized the Executive Director to approve the budget requests for Maintenance of Current Operation (MCO) and line items and submit them to the Division of Financial Management and the Legislative Services Office
September 2017	Board adopted the recommendations of the Governor's Higher Education Task Force and authorized the Executive Director to amend the previously-submitted line item requests, adding a new request for additional Scholarship and Grant funding and a new system-wide request for development of a Degree Audit/Student Data Analytics System

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

Recommendation #1 from the Governor's Higher Education Task Force dealt with efficiencies, cost savings, and service. The Task Force recommended that "... *the State Board of Education drive efficiencies, cost savings, and a higher level of service in back office functions by migrating from our current federated system of institutions to a more integrated, centralized, and student-centric system.*" In the course of its deliberations, and after consultation with outside experts (including representatives from Maine's higher education system), the Task Force reflected on various non-instructional "back room" functions common to multiple higher education institutions which have the potential to generate greater efficiency (cost savings) and quality/productivity (student service) if carried out under a more systemic model. Among the areas discussed were Information Technology, central financial services (payroll and accounting), facilities maintenance and custodial functions, human resources, purchasing, student housing, security, postal services, libraries, legal services, etc.

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Feedback from counterparts in the Maine system indicated that conversion to common hardware and software in central financial systems, under a model in which support continues to be delivered through a distributive approach at each institution, might provide opportunities for improved efficiency and quality of customer service. The core financial systems within an organization are often referred to as the Enterprise Resource Planning (ERP) management information systems, and these make use of central server systems, functional software support modules, area networks, and in some case, “cloud” storage. Currently, Idaho’s higher education institutions operate under a number of different ERP systems including Oracle “PeopleSoft” systems and Ellucian systems (“Banner” and “Colleague” are two ERP systems within the Ellucian family).

The eight university and college presidents held a retreat at the Board office on October 3, 2017, with the Board President and Executive Director in attendance. At the retreat, the presidents discussed follow-up actions to implement the recommendations of the Higher Education Task Force. As a result of that discussion, the presidents asked the Board a request to substitute an FY2019 line item request to explore establishing a systemwide ERP approach in lieu of the earlier-added line item request relating to creation of a degree audit/student data analytic system (which emerged from the Task Force’s “pipeline” improvement recommendations).

Full implementation of three of the Task Force recommendations is dependent on the implementation of a degree audit/student data analytics system (Recommendations 3, 4, and 5). Such a system would facilitate multiple student-level outcomes sought through Task Force recommendations such as system-wide degree progression and guided pathway initiatives. In addition to postsecondary efforts, such a program would strengthen K-12 initiatives around dual credit and college and career advising. It would not be the intent for such a program to replace or duplicate any existing programs the institutions may have. Rather, this program would be a tool to extract data from existing institution programs to perform analysis and help facilitate transfer and articulation between institutions, provide a program for those that do not have a system in place, or provide added capabilities for those that have limited systems or do not have systems that allow for students to review their degree progress. As such, the first step for a proposed degree audit/student data analytics would necessarily require meeting with the institutions’ Chief Information Officers and Provosts to inventory current degree audit and analytics programs and capabilities.

IMPACT

The Division of Financial Management and Legislative Services Office are mindful that the timing of the recommendations from the Governor’s Higher Education Task Force might call for greater flexibility in terms of submitting Board line items requests for FY2019, but the practical deadline of November 1st is rapidly approaching. If the Board approves substitution of the EPR system-wide request for the recently-added degree audit/student data analytic system request, there

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would be no significant difference in the financial impact to the FY2019 budget. Both proposals involve laying groundwork with institutions, support of meetings, and contracting with expert consultants in the field of higher education software, likely through a Request for Proposal (RFP) process to hire contractor(s) to begin either of the complex, long-term initiatives).

ATTACHMENTS

Attachment 1 - Line Items Summary: College & Universities Page 5
Attachment 2 - Proposed FY 2019 Line Items Request Amendment Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Moving from today's federated approach for ERP systems at the higher education institutions to a unified system with support distributed at all institutions would be a profound change - and potential game-changer - for Idaho, which might pave the way for more systematic approaches for other backroom operations carried out in separate functional areas at the colleges and universities, if the Maine experience is any indication. This initiative, if approved, would begin early planning at the same time the State of Idaho is examining the way forward for its own "legacy" (in-house) ERP system. In addition to the statewide applications which might be possible under various commercial vendors including, inter alia, Oracle PeopleSoft, Ellucian, and Jenzabar, the institutions may also wish to explore the open-source consortium approaches (e.g. Quali) which are in place at a number of major institutions.

During Task Force discussions on "system-ness" and backroom functions, Board Staff drew attention to the significant short-term conversion costs and employee training/adaptation challenges associated with any change in ERP and support module systems, but there was a consensus among the Task Force members (and among the presidents) that the potential long-term benefits of consolidation and interoperability might make sense for the state over the long term.

The proposed action reflects the sense of priorities of the presidents. If approved by the Board, staff recommends the ERP line item request be submitted as the Board's number one priority system-wide request. There would be no change (barring a decision by the Board) to the current #2 priority ranking of the current system-wide line item request for \$800,000 for support of the Idaho Regional Optical Network (IRON).

BOARD ACTION

I move to authorize the Executive Director to amend the FY2019 System-wide Needs Budget Request with the Enterprise Resource Planning line item as submitted in Attachment 1, as a substitution for the previously-submitted Degree Audit/Student Data Analytic System request.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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