

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**SUBJECT**

Business Affairs and Human Resources (BAHR) Committee Chairman's Overview

**APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education (Board) Governing Policies & Procedures, Bylaws Section I.F.3

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1: Educational System Alignment; Objective A: Access and Transparency

**BACKGROUND/ DISCUSSION**

The BAHHR Chair will provide a concise summary of several of the key initiatives being worked within the Committee, in cooperation with staff from the eight higher education institutions and the Division of Career Technical Education. Ongoing BAHHR projects include:

- Development of a multi-year Outcomes-Based Funding (OBF) model for implementation beginning in FY2020, following up on recommendations from the Higher Education Task Force (HETF).
- Review and revision of several Board policies covering financial and human resource operations, including:
  - Policy V.X. "Intercollegiate Athletics"
  - Policy V.R. "Establishment of Fees"
  - Policy V.T. "Fee Waivers"
  - Policy V.S. "Allocation of Lump Sum Appropriation" (EWA)
  - Policy V.K. "Construction Projects"
- Financing and Construction of Cybercore Integration Center (CIC) and Collaborative Computing Center (C3) in Idaho Falls, in collaboration with Idaho State Building Authority and the Idaho National Laboratory
- Analysis and reporting (to Legislature) on Dual Credit program costs
- Setting up Systems Integration Consulting project, in furtherance of enacted 2018 legislation
- Work with external consultants to review the Board's financial tracking procedures and metrics
- Work on defining deferred maintenance backlogs at the colleges and universities
- Review of College/University proposed tuition/fee requests for FY2019, and review of fees that have been established under the authority of the chief executive officers

**IMPACT**

The Chairman's overview will update Board members on efforts underway on projects within the BAHHR Committee's area of responsibility.

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff will be available to provide additional details on current BAHHR initiatives, if needed, in the event the Chairman's update prompts questions.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**BOARD ACTION**

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

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>1</b>	<b>INTERCOLLEGIATE ATHLETICS</b> FY2017 Revenue and Expenses Reports	Information Item
<b>2</b>	<b>INTERCOLLEGIATE ATHLETICS</b> FY2017 and FY2018 Compensation Reports	Information Item
<b>3</b>	<b>INTERCOLLEGIATE ATHLETICS</b> FY2017 Gender Equity Reports	Information Item
<b>4</b>	<b>FY2019 APPROPRIATIONS</b>	Motion to approve
<b>5</b>	<b>FY2020 BUDGET GUIDELINES</b>	Motion to approve
<b>6</b>	<b>FY2019 OPPORTUNITY SCHOLARSHIP EDUCATIONAL COSTS</b>	Motion to approve
<b>7</b>	<b>GRADUATE MEDICAL EDUCATION UPDATE</b>	Motion to approve
<b>8</b>	<b>BOISE STATE UNIVERSITY</b> Campus Master Plan Update	Motion to approve
<b>9</b>	<b>BOISE STATE UNIVERSITY</b> Real Property Acquisition	Motion to approve
<b>10</b>	<b>IDAHO STATE UNIVERSITY</b> Alumni House Proposal	Motion to approve

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<hr/>		
	<b>UNIVERSITY OF IDAHO</b>	
<b>11</b>	Construction Authorization - Salmon Classroom-Office Facility Project	Motion to approve
<hr/>		
	<b>UNIVERSITY OF IDAHO</b>	
<b>12</b>	Disposal of Real Property - Caine	Motion to approve
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	<b>UNIVERSITY OF IDAHO</b>	
<b>13</b>	Athletic Plan	Motion to approve
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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**SUBJECT**

Intercollegiate Athletics Reports of Revenues and Expenses

**REFERENCE**

June 2016 Board directed that the universities' National Collegiate Athletics Association (NC AA) "Agreed Upon Procedures Reports" would be provided to the Board and would also serve as the revenues/expenses reporting template for Lewis-Clark State College.

**APPLICABLE STATUTE, RULE OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1 ("A Well Educated Citizenry") Objective A ("Access: Set policy and advocate for increasing access to Idaho's educational system for all Idahoans, regardless of socioeconomic status, age, or geographic location.").

**BACKGROUND/DISCUSSION**

Responsibility, management, control, and reporting requirements for athletics are detailed in Board Policy V.X. The college and universities are required to submit regular financial reports as specified by the Board office. For the universities, the revenue and expenses reported must reconcile to the NCAA "Agreed Upon Procedures Reports" that are prepared annually and reviewed by the Board's external auditor.

**IMPACT**

The reports of Revenues and Expenses are presented for each institution for fiscal year 2017 in Attachments 1 through 4. Below is a summary of the four institutions' reported excess or deficiency of revenues over expenses, from the bottom line, right side totals from the attached reports.

[includes	Excess (Deficiency) <u>State Support]</u>
Boise State University	(\$41,282)
Idaho State University	(\$17,025)
University of Idaho	\$1,007,717
Lewis-Clark State College	\$44,425

**ATTACHMENTS**

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

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**STAFF COMMENTS AND RECOMMENDATIONS**

The Athletics Reports show results for fiscal year 2017. It should be noted that state funds are critical to support the student athletes and athletic programs at the four institutions (i.e., ticket sales, contributions, and program revenues are insufficient to enable the athletic programs to be fully self-supporting). If (hypothetically) state funds were to be removed from the reported revenue side, all four institutions would be in “deficiency” status (-\$1.2M for LCSC, -\$3.0M for BSU, -\$3.2M for UI, and -\$3.9M for ISU). Representatives from the institutions will be available to respond questions from Board members, if applicable.

**BOARD ACTION**

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

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**SUBJECT**

Intercollegiate Athletics Department Employee Compensation Report

**REFERENCE**

April 2017                      Board received FY 2016 athletics compensation reports

**APPLICABLE STATUTE, RULE OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

The Intercollegiate Athletics employee compensation report is a non-strategic, Board governance agenda item.

**BACKGROUND/ DISCUSSION**

The attached spreadsheets show actual compensation figures for FY2017 and estimated compensation figures for FY2018. The sources of funding for athletic department positions vary widely. A number of the most highly-paid coaching positions are funded entirely from program revenues.

**IMPACT**

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

**ATTACHMENTS**

Attachment 1 - Boise State University	FY17 Actual	Pages 3-4
Attachment 2 – Boise State University	FY18 Estimate	Pages 5-6
Attachment 3 - Idaho State University	FY17 Actual	Pages 7-8
Attachment 4 – Idaho State University	FY18 Estimate	Pages 9-10
Attachment 5 - University of Idaho	FY17 Actual	Pages 11-12
Attachment 6 – University of Idaho	FY18 Estimate	Pages 13-14
Attachment 7 - Lewis-Clark State College	FY17 Actual	Pages 15-16
Attachment 8 – Lewis-Clark State College	FY18 Estimate	Pages 17-18

**STAFF COMMENTS AND RECOMMENDATIONS**

The Board has delegated, through Board Policy II.B., personnel management authority to the Chief Executive Officer of each institution, except for those responsibilities specifically retained by the Board. Board policy II.H. authorizes the Chief Executive Officer of an institution to enter into a contract for the services of a coach or athletic director with that institution for a term of up to three (3) years. A contract with a term (whether fixed or rolling) of more than three (3) years, or

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

with a total annual compensation amount of \$200,000 or higher, is subject to approval by the Board.

**BOARD ACTION**

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**SUBJECT**

Athletics Gender Equity Reports

**REFERENCE**

June 2016                      Board adopted the reports required by the institutions' federal regulatory body regarding compliance with Title IX in athletics programs, along with summaries of such reports, as the method to report to the Board on gender equity.

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1 ("A Well Educated Citizenry")      Objective A ("Access: Set policy and advocate for increasing access to Idaho's educational system for all Idahoans, regardless of socioeconomic status, age, or geographic location.").

**BACKGROUND/DISCUSSION**

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

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

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

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

## BUSINESS AFFAIRS AND HUMAN RESOURCES

APRIL 19, 2018

---

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

**Third**, benefits, opportunities, and treatments afforded sports participants are to be equivalent, but not necessarily identical, including equipment and supplies, scheduling of games and practices, travel expenses, availability and compensation of coaches, quality of facilities, medical services, housing, dining, and recruitment. Compliance is measured on a program-wide basis, not on a sport-by-sport basis.

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

### IMPACT

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

### ATTACHMENTS

Attachment 1: BSU Gender Equity Narrative	Page 5
Attachment 2: BSU Gender Equity Worksheet	Page 17
Attachment 3: ISU Gender Equity Narrative	Page 21
Attachment 4: ISU Gender Equity Worksheet	Page 23
Attachment 5: UI Gender Equity Narrative	Page 27
Attachment 6: UI Gender Equity Worksheet	Page 29
Attachment 7: LCSC Gender Equity Narrative	Page 33
Attachment 8: LCSC Gender Equity Worksheet	Page 35

### STAFF COMMENTS AND RECOMMENDATIONS

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

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

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

Boise State University (BSU) provided an in-depth analysis of their compliance to Title IX in all three tests. BSU reported compliance in the first test because the average number of participants per women's team is higher than the number of female participants needed to achieve strict proportionality. BSU also reported compliance in the second test for financial assistance with a .9% advantage to males. For the third test, BSU did not report any disparities.

Idaho State University (ISU) is in compliance for the first test. For the participation test, both their participation and enrollments are 49% male and 51% female. For the second test for financial aid, ISU is not in compliance. Their unduplicated count is 52.1% male while their financial aid for males is 54.9%. The difference of 2.8% is more than the 1% threshold. ISU states that financial opportunities are equitably available between genders, but the annual awarding and accepting of scholarships varies. While ISU did not state whether they were in compliance in the third test, they did note that specific program areas are monitored.

University of Idaho (UI) reported a 1.2% differential in the first test with a disadvantage to males. UI reported noncompliance in the second test for financial assistance with a 4.7% disadvantage to females. UI did not state whether they were in compliance in the third test, however they did note specific program enhancements that have been made.

Lewis-Clark State College (LCSC) reported noncompliance in the first test because it missed substantial proportionality in enrollments by 18% with a disadvantage to females and noted meeting the first test is problematic due to financial constraints. LCSC reported noncompliance in the second test for financial assistance by 5% with a disadvantage to males. LCSC reports compliance in the third test for program equivalency.

Representatives from the four affected institutions will be available in the event that Board members have questions on specific areas related to Gender Equity reports or on the institutions' efforts related to achieving/maintaining equity.

**BOARD ACTION**

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

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**SUBJECT**

FY 2019 Appropriation Information – Institutions and Agencies of the State Board of Education

**APPLICABLE STATUTE, RULE, OR POLICY**

Applicable Legislative Appropriation Bills (2018)

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1 (“A Well Educated Citizenry”) Objective A (“Access: Set policy and advocate for increasing access to Idaho’s educational system for all Idahoans, regardless of socioeconomic status, age, or geographic location.”).

**BACKGROUND/ DISCUSSION**

The 2018 Legislature has passed and the Governor has signed the appropriation bills for the agencies and institutions of the Board.

The table on Tab 4 page 3 lists the FY 2019 appropriations related to the State Board of Education.

**IMPACT**

Appropriations provide funding and spending authority for the agencies and institutions of the State Board of Education, allowing them to offer programs and services to Idaho’s citizens.

The appropriation bill for the Office of the State Board of Education contained the intent language below.

Report on Dual Credit. The intent language in the appropriations bill requires the Board to provide a report to the Joint Finance-Appropriations Committee (JFAC), the Senate Education Committee, and the House Education Committee on the utilization of dual credit by students in Idaho high schools. The Board shall provide a history for the state funding for dual credit enrollment, data regarding the short-term achievement of students engaged in dual credit enrollment, and the costs incurred by institutions of higher education providing dual credits with the opportunity for input from said institutions. Reporting to the Legislature should occur no later than February 1, 2019 and shall be formatted in such a manner that allows consistent comparison across all institutions.

Staff is working with the institutions to ensure cost accounting procedures are in place by July 1, 2018 to enable the collection of consistent comparable cost data.

**ATTACHMENTS**

Attachment 1 – FY 2019 Appropriations List

Page 3

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**STAFF COMMENTS**

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

**BOARD ACTION**

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

**BUSINESS AFFAIRS AND HUMAN RESOURCES  
APRIL 19, 2018**

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**ATTACHMENT 1**

**State Board of Education  
FY 2019 Appropriations to Institutions and Agencies**

	<b>General Fund</b>	<b>% Δ From FY 2018</b>	<b>Total Fund</b>
<b><u>Allocations</u></b>			
College and Universities	\$295,763,200	3.0%	\$576,786,400
Community Colleges	46,126,600	17.1%	46,926,600
Career Technical Education	66,397,900	1.6%	75,963,200
<b><u>Agencies</u></b>			
Agricultural Research & Extension Service	31,307,100	.1%	31,331,100
Health Education Programs	18,714,500	20.0%	19,035,500
Special Programs	19,242,200	23.6%	23,366,800
Office of the State Board of Education	6,374,900	14.1%	15,961,200
Idaho Public Television	2,585,300	(22.3%)	9,448,600
Division of Vocational Rehabilitation	8,648,300	.7%	28,306,100
State Department of Education (Superintendent of Public Instruction)	14,519,800	2.3%	39,273,000

**Statewide Issues**

Permanent Building Fund Advisory Committee Recommendations:

\$10M to College of Western Idaho for Health Sciences Building

\$3M to University of Idaho for Nuclear Seed Lab

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**SUBJECT**

FY 2019 College and Universities Appropriation Allocation

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.S.  
Senate Bill 1344 (2018)

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1 ("A Well Educated Citizenry") Objective A ("Access: Set policy and advocate for increasing access to Idaho's educational system for all Idahoans, regardless of socioeconomic status, age, or geographic location.").

**BACKGROUND/DISCUSSION**

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

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

This action allocates the FY 2019 College and Universities appropriation to the institutions for general education programs and system-wide needs. These funds, allocated along with revenue generated from potential fee increases, will establish the operating budgets for the general education program for FY 2019. The allocation for FY 2019 is shown on Tab 4a page 3. The FY 2019 general fund appropriation includes the following items:

Maintenance of Current Operations (MCO):

- |                                                    |     |            |
|----------------------------------------------------|-----|------------|
| • Decreases for reduction in benefit costs         | (\$ | 3,548,100) |
| • 3% ongoing Change in Employee Compensation (CEC) |     | 6,348,500  |
| • Compensation Schedule Changes                    |     | 10,300     |
| • Statewide cost allocation                        |     | 243,000    |
| • Enrollment Workload Adjustment (EWA)             |     | 2,502,400  |

Line Items:

- |                                    |  |           |
|------------------------------------|--|-----------|
| • Occupancy costs                  |  |           |
| Boise State University             |  | 214,100   |
| Idaho State University             |  | 1,356,100 |
| University of Idaho                |  | 61,500    |
| • Idaho Regional Optical Network   |  | 800,000   |
| • Degree Audit and Data System     |  | 350,000   |
| • Health Science & Workforce (ISU) |  | 680,600   |

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

• Benefit Cost Offset (UI)		1,226,200
• Access and Completion (LCSC)		<u>186,400</u>
Total General Fund increase over Base	\$10,431,000	

**ATTACHMENTS**

Attachment 1 - C&U FY 2019 Appropriation Allocation	Page 3
Attachment 2 - Statement of Purpose/Fiscal Note	Page 5
Attachment 3 - Appropriation Bill (S1344)	Page 7

**STAFF COMMENTS**

Staff recommends approval of the FY 2019 College and Universities allocation as presented in Attachment 1.

**BOARD ACTION**

I move to approve the allocation of the FY 2019 appropriation for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as presented on Tab 4a, Page 3.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**SUBJECT**

FY 2020 Budget Development Process (Line Items)

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1 (“A Well Educated Citizenry”) Objective A (“Access: Set policy and advocate for increasing access to Idaho’s educational system for all Idahoans, regardless of socioeconomic status, age, or geographic location.”).

**BACKGROUND/ DISCUSSION**

Idaho State Board of Education (Board)-approved budget requests for FY 2020 must be submitted to the executive and legislative branches [Division of Financial Management (DFM) and Legislative Services Office (LSO)] on September 4, 2018. To meet the annual September submission deadline, the Board has established a process for developing institutional line item requests. The first step is the approval of line item request guidelines at the April Board meeting. The institutions then use these guidelines to develop line item requests which are evaluated by the Board at its June meeting. The final budget request, which includes line items and maintenance of current operations (MCO) items (described below), is approved in August.

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

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

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

FY2020 Line Item request guidelines. The following guidelines are proposed for the college/university line item requests for FY2020. These guidelines are elective in nature for the community colleges and the Division of Career Technical Education (CTE). In its submission to DFM, the Board will support no more than two line item requests from each institution for FY2020, with a combined dollar value cap of 5% of the requesting institution's FY2019 General Fund appropriation. This line item guidance is the same as the Board's guidance for the FY2019 budget requests. There are no restrictions on the number or size of formula-driven occupancy cost requests for newly-eligible space. All line item requests should be clearly defined and should follow the instructions and formats provided in the Budget Development Manual. When a line item contains multiple elements, those elements should be prioritized to make them "scalable" in the event only partial funding is made available for the line item. Draft line item requests from Board institutions/agencies should be submitted along with the other agenda item materials for the June 2018 Board meeting. Final review and approval of line items is expected to take place at the August 2018 Board meeting.

**IMPACT**

The proposed guidelines for FY2020 line item requests are based on the template used for the past several years. The model is flexible and can facilitate fine-tuning of individual requests to accommodate the fiscal situation that evolves over the course of the planning cycle and the upcoming Legislative session. The line item request process will complement the parallel budget planning activities related to facilities/infrastructure, endowment funds, student tuition/fees, and the MCO process.

**STAFF COMMENTS AND RECOMMENDATIONS**

If the Board's Outcomes-Based Funding (OBF) model (now under development) is supported by state policy makers and receives funding in FY2020, it is possible OBF funding could be appropriated in lieu of some or all college/university line item requests and Enrollment Workload Adjustment funding. However, until the state's budget strategy for higher education funding in FY2020 is clear, it is important that the institutions use due diligence in developing line item requests to meet their strategic needs.

Staff recommends approval.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**BOARD ACTION**

I move to direct the college and universities to limit Fiscal Year 2020 budget line items requests to those that 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 FY2019 total General Fund appropriation. Requests for occupancy costs for eligible space will not count towards the two line item limit or the 5% cap.

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_ No\_\_\_\_

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**SUBJECT**

FY 2019 Idaho Opportunity Scholarship Educational Costs

**REFERENCE**

April 2015	The Idaho State Board of Education (Board) set the FY2016 maximum annual award amount at \$3,000, expected student contribution at \$6,500 for 4-year institutions and \$4,500 for 2-year institutions and educational cost for each institution.
December 2015	Board reviewed annual State Scholarship Report
April 2016	The Board set the FY2017 maximum annual award amount at \$3,000, expected student contribution at \$3,000 and educational cost for each institution.
December 2016	Board reviewed annual State Scholarship Report.
April 2017	The Board set the FY2018 maximum annual award amount at \$3,500, expected student contribution at \$3,000 and educational cost for each institution.

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 2 ("Educational Attainment") Objective A ("Higher Level of Educational Attainment – Increase completion of certificates and degrees through Idaho's educational system) and Objective C ("Access - Increase access to Idaho's robust educational system for all Idahoans, regardless of socioeconomic status, age, or geographic location.")

**BACKGROUND/ DISCUSSION**

The legislature appropriated a little over \$19.3M in the FY 2019 budget for Scholarships and Grants managed by the Board office. This amount is made up of approximately \$15.2M from the General Fund, \$1M from Miscellaneous Revenue, and \$3.1M in federal funds and includes an increase of \$3.5M over the FY 2018 appropriation from the General Fund to expand the Idaho Opportunity Scholarship. In addition to the Idaho Opportunity Scholarship, the Scholarships and Grants appropriation covers the Work Study Program, Armed Forces/Public Safety Officer Scholarship, GEARUP Idaho Scholarship, and the Postsecondary Credit Scholarship.

The Idaho Opportunity Scholarship is a hybrid scholarship combining academic merit with financial need and is based on a shared model of responsibility between the state and the student. Students must meet the minimum academic merit requirement set in Administrative Code to be eligible, eligible students are then ranked based on a combination of need and merit. Need is based on the students' expected family contribution calculated on the FAFSA and makes up 70% of the

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

weighting used for ranking students. The legislative intent of the Opportunity Scholarship is to:

- a. Recognize that all Idaho citizens benefit from an educated citizenry;
- b. Increase individual economic vitality and improve the overall quality of life for many of Idaho's citizens;
- c. Provide access to eligible Idaho postsecondary education through funding to remove financial barriers;
- d. Increase the opportunity for economically disadvantaged Idaho students; and
- e. Incentivize students to complete a postsecondary education degree or certificate.

Idaho Administrative Code, IDAPA 08.01.13.03, Rules Governing the Opportunity Scholarship Program, requires the Board to annually set: (1) the educational costs for attending an eligible Idaho postsecondary institution; and (2) the amount of the assigned student responsibility as part of the shared model of responsibility.

The educational cost may include student tuition, fees, books and other necessary education expenses. Pursuant to IDAPA 08.01.13, these amounts are required to be set for each eligible institution. Staff recommendations are based on the institution's published educational cost for fulltime undergraduate students attending two semesters per year.

While not required by statute or rule, the Board has historically set a maximum award amount in order to increase the number of awardees. Pursuant to IDAPA 08.01.13, the actual award amount received by the student may not exceed the student's actual cost of tuition and fees. When the student's cost for tuition and fees is over the maximum award amount, the award is limited to the set maximum award amount. Should the Board choose not to set a maximum award amount, the award would be limited to the actual cost to the student of tuition and fees and the maximum educational cost. A student's actual costs are not typically known at the time the initial awards are made. The maximum award amount allows for staff to make preliminary estimates of the total amount needed to cover awards in a given year, thereby allowing more awards to be distributed earlier.

Regardless of whether the student attended a 2-year or a 4-year institution, in FY 2018 the majority of students received awards at or near the maximum award amount. The following table shows the total funds distributed for the Opportunity Scholarship by academic year attended, the number of students awarded, and the average amount of the award for that year.



**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

School Year	Amount	Number of Awards	Average Award Amount
2014-2015	\$4,916,579	1,465	\$3,440
2015-2016	\$5,146,248	1,868	\$2,881
2016-2017	\$9,868,532	3,454	\$2,857
2017-2018	\$11,418,815	3,724	\$3,066

Currently, 8,087 students have applied for the Opportunity Scholarship for the 2018-2019 school year.

Individual student award amounts for the Opportunity Scholarship are calculated based on the educational cost for the institution the student attends, the student contribution amount, other scholarships and financial aid the student receives, actual tuition costs and the maximum award amount. Students may use scholarships and grants that do not come from institutional, state, or federal funds to offset the student contribution amount. Student loans are not included in the calculation of the eligible award amount.

As an example, based on the proposed amounts, if a student attends the University of Idaho with a set educational cost of \$21,300, the Opportunity Scholarship award amount would be calculated as follows:

	<u>Student A</u>	<u>Student B</u>	<u>Student C</u>
Educational Cost for Institution	\$21,300	\$21,300	\$21,300
Student Contribution	\$3,000	\$3,000	\$3,000
Other scholarships and financial aid	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$5,000</u>
Total Remaining	\$8,300	\$3,300	\$13,300
Eligible Award Amount	\$3,500	\$3,300	\$3,500

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

## **IMPACT**

Setting the educational cost and student contribution amounts fulfills the Board's responsibilities under administrative rule. Combined with setting the maximum award amount, this action will enable Board staff to begin processing applications and making award determinations for FY 2019.

## **STAFF COMMENTS AND RECOMMENDATIONS**

Senate Bill 1279 (2018) amends Section 33-4303, Idaho Code, allowing the Board to set aside up to 20% of the Opportunity Scholarship funds to be used for individuals who have earned 24 or more credits toward a postsecondary degree or

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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certificate. Amendments to IDAPA 08.01.13, Rules Governing the Opportunity Scholarship Program, will need to be made to address this population of students prior to these students receiving awards in FY 2019. Current student eligibility requirements in Administrative Code include:

1. The student must be pursuing their first undergraduate certificate or degree;
2. The student must have an un-weighted minimum cumulative grade point average of 3.0 or better;
3. The student may not be in default on a student educational loan, or owe a repayment on a federal grant;
4. Application must be submitted or postmarked no later than March 1;
5. Application must complete and submit the FAFSA no later than March 1; and
6. The student must complete 24 credit hours if attending a four-year eligible institution or 18 credit hours if attending a two-year institution to remain eligible for the scholarship.

A temporary rule addressing these criteria that limit individuals with 24 or more credits from receiving scholarships during the 2018-2019 school year is being brought forward under a separate agenda item as part of the Planning, Policy and Governmental Affairs portion of the agenda. An additional proposed and then pending rule will be negotiated and brought forward to the Board during the normal rulemaking timelines for consideration for the 2019-2020 and ongoing school years. Due to the limited time available to get the information out regarding the availability of funds for this population, the intent is to set aside \$1M (or 7.3%) of the approximately \$13.7M available for the Opportunity Scholarship in FY 2019.

Staff recommends the FY 2019 educational cost for the Opportunity scholarship award formula to be set for each public institution as follows:

1. \$21,300 for students attending University of Idaho (3.2% increase over FY 2018)
2. \$22,182 for students attending Boise State University (14.2% increase over FY 2018)
3. \$21,031 for students attending Idaho State University (4.2% increase over FY 2018)
4. \$17,896 for students attending Lewis-Clark State College (3.1% increase over FY 2018)
5. \$15,322 for students attending College of Eastern Idaho (-5.6% increase over FY 2018)
6. \$13,458 for students attending College of Southern Idaho (0% increase over FY 2018)
7. \$13,152 for students attending College of Western Idaho (0% increase over FY 2018)
8. \$14,886 for students attending North Idaho College (1% increase over FY 2018)

Pursuant to IDAPA 08.01.13, the FY 2019 educational cost for the Opportunity scholarship award formula for students attending eligible Idaho private, not-for-

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

profit postsecondary institutions must be the average of the amount set for the four public 4-year institutions. For FY2019, this amount is \$20,602.

Staff recommends the FY 2019 student contribution be set at \$3,000, and to accept student-initiated scholarships and non-institutional and non-federal aid as part of the student contribution.

Staff recommends the maximum award amount remain \$3,500 for FY 2019.

**BOARD ACTION**

I move to approve the FY2019 educational cost for the Opportunity scholarship award be set not to exceed the following amounts:

1. \$21,300 for students attending the University of Idaho
2. \$22,182 for students attending Boise State University
3. \$21,031 for students attending Idaho State University
4. \$17,896 for students attending Lewis-Clark State College
5. \$15,322 for students attending the College of Eastern Idaho
6. \$13,458 for students attending the College of Southern Idaho
7. \$13,152 for students attending the College of Western Idaho
8. \$14,886 for students attending North Idaho College

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

**AND**

I move to approve the Opportunity Scholarship maximum award amount for FY2019 to be set at \$3,500.

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

**AND**

I move to approve the FY2019 student contribution be set at \$3,000 and to accept student-initiated scholarships and non-institutional and non-federal aid as part of the student contribution.

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**SUBJECT**

Graduate Medical Education (GME) 10-year Plan revision

**REFERENCE**

January 2009	Idaho State Board of Education (Board) approved recommendations from the report of the Board's Medical Education Committee (MEC) and forwarded report to the Governor and Legislature
April 2009	Board approved implementation of ten recommendations from the MEC report
August 2012	Board received update and discussed status of implementation of the MEC's recommendations
December 2016	Board accepted the findings and recommendations of its MEC and forwarded the report to the Governor
August 2017	Board approved FY2019 line item request for Health Education Programs which included \$5.239 million in additional funding to launch a 10-year, comprehensive GME plan
December 2017	Board approved GME 10-year plan and forwarded plan to the Governor

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 3: "Workforce Readiness"; Objective B: "Medical Education—Deliver relevant education that meets the health care needs of Idaho and the region."

**BACKGROUND/DISCUSSION**

At its special meeting on December 5, 2017, the Board approved the GME 10-year strategic plan (Attachment 1). At that meeting, the Board also approved revisions to the associated FY2019 Line Item request for Health Education Programs, which included adjustments to the distribution of funds among the participating residency programs throughout the state. There was no change to the total funding amount (\$5.239 million) which had been submitted previously to the Division of Financial Management (DFM) and the Legislative Services Office (LSO).

In response to a request by the Joint Finance-Appropriations Committee (JFAC), Board staff (working with OSBE's GME coordinator, Dr. Ted Epperly) presented an overview of the GME plan to JFAC on January 10, 2018, which was favorably received. The Governor's Office and LSO were provided with copies of a letter (Attachment 2) with several hundred signatures from regional medical facilities, physicians, and higher education leaders throughout the state, expressing support for the GME plan.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

The Governor's budget recommendation for FY2019 included partial funding for the first year of the 10-year GME plan. The Governor's Office also sent a letter to the Board (Attachment 3) asking the Board to address three areas in order to move beyond the FY2019 budget recommendations:

- Exploring options to leverage state funds with Medicaid dollars to support GME expansion
- Developing and communicating a phased approach for increasing the level of state support for residency positions
- Obtaining a third-party review and analysis of the plan

Action is underway on all three areas mentioned in the Governor's letter, including continuing coordination with the State's Medicaid program, implementation of a phased approach to funding individual residency positions, and receipt of an external review of the GME 10-year plan from an expert, national-level body—the Accreditation Council for Graduate Medical Education (ACGME).

In February 2018, the JFAC approved additional funding (approximately \$1 million, above the Governor's recommendation) for components of the first year of the GME plan within the OSBE budget and the Health Education Programs budget. The final appropriation for the plan, enacted in March 2018 was a total of \$2.068 million, distributed as follows:

- \$80,000 for support of GME Council and coordination of the 10-year plan
- \$565,000 in additional funding for four Family Medical Residency programs
- \$77,500 for the University of Washington Boise Internal Medicine program
- \$525,000 for the Bingham Internal Medicine Program
- \$455,000 for the Eastern Idaho Regional Medical Center
- \$240,000 for the University of Washington Psychiatry residency program
- \$125,000 for accreditation of new psychology internship programs by the Western Interstate Commission for Higher Education (WICHE)

While the significant investment by the Governor and Legislature for the first year (FY2019) of the GME 10-year plan is greatly appreciated, the timing of planned milestones in the plan and the funding requests planned for subsequent years will need to be adjusted. The version of the plan approved by the Board included a large infusion of new state dollars in FY2019, followed by much lower additional investments over the ensuing nine years, with an average increase of \$1.6 million per year over the life of the plan (see Fig. 4 on page 44 of the plan). Staff anticipates that the annual budget requests would be roughly level in the next two years, with a slightly shallower rate of decrease in the out-years of the plan. This adjustment will appear as a "smoother" funding curve, with a steady decline over the remainder of the plan.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

**IMPACT**

The need driving the 10-year GME plan—Idaho’s need for additional residency positions to train and keep physicians in the state—must be addressed. Implementation of the plan will enable Idaho to make positive progress from its current ranking as 49<sup>th</sup> among U.S. states in terms of physicians per capita and medical residents per capita. It will enable the state to accommodate the recent expansion of undergraduate medical education pipelines. It will sustain support for residency programs throughout Idaho and will enable current and new residency programs to expand significantly the production of physicians, with a focus on underserved rural areas. The plan will increase the number of residency programs in Idaho from (the current) nine to 21, serving all areas of the state. The number of Residents and Fellows training in Idaho per year would increase from 141 to 356, and the number of graduates from the pipeline would increase from 52 to 124 per year (a 237% increase).

The projected return on investment is significant. State dollars will be leveraged on 2-to-1 (or greater) basis. Each of the 2,000 residents/fellows produced by the plan will generate an estimated 12 additional jobs, \$1.9 million in economic impact, and \$61,000 in additional state and local taxes. The total economic impact for the state (assuming “worst case” of only 50% retention rate of physicians remaining within Idaho) is over \$1 billion.

**ATTACHMENTS**

Attachment 1 – GME 10-year plan (current version)	Page 5
Attachment 2 – Statewide support letter 1-30-18	Page 53
Attachment 3 – Governor’s letter to Board 1-2-18	Page 59

**STAFF COMMENTS AND RECOMMENDATIONS**

Revision of the 10-year plan is needed not only to adjust the plan to reflect the FY2019 appropriation, but also to sustain the outstanding cooperation and support of residency program directors and medical facilities that has been established throughout the state during the past two years of the planning effort. Upon Board direction, staff will work with the newly designated “GME Council” to refine and implement the plan. Staff recommends approval.

**BOARD ACTION**

I move to direct Board staff to revise the Graduate Medical Education Ten-Year Strategic Plan, in close coordination with the applicable stakeholders in the medical community, to reflect the appropriation for the first year of the plan, and to return to the Board not later than October 2018 for approval of an updated plan.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Boise State University (BSU) Campus Master Plan Update

**REFERENCE**

March 1997	1997 Campus Master Plan presented to the Idaho State Board of Education (Board)
October 2005	2005 Master Plan presented to the Board
February 2008	Expansion of boundaries and Master Plan update presented to the Board
June 2015	Board approved 2015 Master Plan update approved by the Board
August 2017	Board approved six-year Capital Construction Plan update

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.K.8  
Idaho Code 33-112 and 33-4005

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 2: Educational Attainment, Objective C: Access

**BACKGROUND/DISCUSSION**

The 2015 Master Plan update was presented to and approved by the Board in June, 2015. Following that presentation, phase 1 of the plan was adopted by the City of Boise and incorporated into the City of Boise Comprehensive Plan.

Subsequent to the adoption of the 2015 Master Plan, several structures reflected on that plan have been completed, are under construction, or are in planning. The Honors College/Sawtooth Hall and the Alumni and Friends Center are both open and occupied; the new Center for Fine Arts is under construction; and the Micron Center for Materials Research is out to bid. In addition, planning is underway for a new pedestrian/bicycle crossing at the Beacon/Manitou intersection.

Since the adoption of the 2015 plan, BSU's priorities have evolved. Specific changes to the south campus are substantial enough to warrant an update to the Master Plan. The Micron Center for Materials Research is displacing the existing Facilities and Central Receiving building, so a new building is being constructed in the south portion of campus. In addition, a baseball field is being considered along the southeast edge of campus. Site planning for the baseball field requires changes to proposed parking structures and certain rights-of-way. In lieu of one single large parking structure, the updated plan indicates two to three smaller garages.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

The first parking structure would be located near the proposed baseball field and could be constructed within in the next 5-7 years. In addition, to accommodate future growth, two additional garages on the east and west sides of Bronco Stadium could be constructed in the next 10-25 years. Regarding rights-of-way, a baseball field in this location will require either a realignment or vacation of Belmont Street and a full vacation of Grant Avenue. The changes indicated above are shown on the attached revised Master Plan drawing.

After Board review, Boise State will use the revised Master Plan as the basis for a traffic impact study, which will support BSU's request to Ada County Highway District (ACHD) to vacate several streets and alleyways in the south portion of campus. BSU ownership of these streets and alleyways will facilitate immediate and future development in this area.

**IMPACT**

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

**ATTACHMENTS**

Attachment 1 – Original 2015 Master Plan Drawing

Page 5

Attachment 2 – Revised Master Plan Drawing

Page 6

**STAFF COMMENTS AND RECOMMENDATIONS**

BSU's proposal complies with Board Policy V.K.8, which states: *"Each institution shall develop a seven (7) to fifteen (15) year Campus Master Plan (CMP). The CMP shall serve as a planning framework to guide the orderly and strategic growth and physical development of an institution's campus. The CMP shall be consistent with and support the institution's current mission, core themes, strategic plan, and six-year capital construction plan. The CMP and substantive updates thereto must be approved by the Board."* [Note: the six-year capital construction plan is a rolling list of planned major construction projects, which is reviewed by the Board each August and submitted to the Division of Public Works and the Permanent Building Fund Advisory Council for consideration each year as part of the Governor's fiscal year budget request. The six-year capital plan is distinct from the long-term CMP, which deals with the entire campus footprint (buildings, green areas, roads and walkways, parking areas, etc.) and its evolution over an extended planning horizon.]

BSU administration will be available to answer any questions on the updated master plan and its impact on the campus and community footprint. Staff recommends approval.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**BOARD ACTION**

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

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**BOISE STATE UNIVERSITY**

**SUBJECT**

Acquisition of real property

**REFERENCE**

October 2005

Idaho State Board of Education (Board) authorized Boise State University (BSU) to acquire property in its expansion zone through purchase or condemnation without Board authorization, subject to available funding and appropriate approvals

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 2: Educational Attainment, Objective C: Access

**BACKGROUND/ DISCUSSION**

BSU seeks to acquire additional real property to accommodate expansion of its infrastructure to keep pace with growing student enrollment.

**IMPACT**

Approval of this request will facilitate BSU's negotiations with area property owners to acquire land needed for planned projects within BSU's approved expansion zone. Acquisition of property will enable BSU to carry out its Campus Master Plan and sustain its educational mission.

**STAFF COMMENTS**

This request complies with Board Policy V.I.2 "Acquisition of Real Property."

Staff recommends approval.

**BOARD ACTION**

I move to approve the request by Boise State University to proceed with negotiations for the purchase of real property as discussed in Executive Session.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**IDAHO STATE UNIVERSITY**

**SUBJECT**

Idaho State University (ISU) Alumni and Visitor's Center Fundraising, Planning, and Design Request

**REFERENCE**

August 2017

Idaho State Board of Education (Board) approved ISU's FY2019 Six-Year Capital Project Plan

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 1: A Well-Educated Citizenry. Objective D: Quality Education.

Goal 4: Effective and Efficient Educational System. Objective D: Advocacy and Communication.

**BACKGROUND/DISCUSSION**

ISU seeks Board approval to begin a fundraising campaign and to initiate planning and design for an Alumni and Visitor's Center on campus. The facility will be used to house ISU Advancement functions and for the recruitment of students, staff and various Presidential and other ISU events. ISU currently is using an old home off campus, which is not sufficient for the needs of ISU. The Alumni and Visitor's Center would also be used as an alumni gathering place and for community and other outside events at a market-based rental rate. A facility of this nature will be used as a launching point for campus visits and will provide an appropriate space for academic units to meet, discuss and showcase ISU to prospective students, faculty, staff, and donors. ISU is amending its FY2019 Six-Year Capital Project Plan to include this facility, which is attached to this document.

**IMPACT**

As ISU continues to focus aggressively on enrollment growth, fundraising, branding and image building, the new Alumni and Visitor's Center will provide a state-of-the-art facility for the enhancement of those functions.

The Alumni and Visitor's Center will enrich student recruitment and business relationships with interest groups, both within and outside of the State of Idaho.

**ATTACHMENTS**

Attachment 1 – Amended FY2019 Six-Year Capital Project Plan

Page 3

**STAFF COMMENTS AND RECOMMENDATIONS**

This request conforms to Board Policy V.K.2. which stipulates that *"before any institution under the governance of the Board solicits, accepts or commits a gift or*

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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*grant in support of a specific major project, such project must first be included on the institution's or agency's Board-approved six-year plan."* ISU will need to return to the Board in the future to obtain approval for the financial plan for the project (current project cost is estimated at approximately \$8.5 million) and to proceed into the construction phase.

Staff recommends approval.

**BOARD ACTION**

I move to approve the amended six-year capital projects plan for Idaho State University, adding the "ISU Alumni Center" project in FY2021, as presented in Attachment 1.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_  
and

**BOARD ACTION**

I move to approve the request by Idaho State University to begin a fundraising campaign and to initiate planning and design for an Alumni and Visitor's Center on the Idaho State University campus in Pocatello.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_



**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Request for authorization to enter bidding and construction phases for the Nancy M. Cummings Research and Education and Extension Center (Center) Classroom and Office Facility

**REFERENCE**

August 2017	Idaho State Board of Education (Board) approved Capital Budget request in University of Idaho (UI) six-year plan
October 2017	Board authorized Planning and Design Phases for the Classroom and Office Facility.

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

This item aligns with the following goals and objectives of the Board Strategic Plan:

Goal 1: A Well-Educated Citizenry, Objectives A-Access, B-Adult Learner Reintegration, C-Higher Level of Educational Attainment, and D-Quality Education.

Goal 2: Innovative and Economic Development, Objectives A-Workforce Readiness, B-Innovation and Creativity, C-Economic Growth, and D-Education to Workforce Alignment.

**BACKGROUND/DISCUSSION**

This agenda item requests Board authorization for UI to proceed with the bidding and construction phases of a capital project to design and construct a proposed Classroom and Office Facility at the Center. This agenda item also requests Board approval for a cumulative increase of \$340,000 in the originally-approved cost for the project. This cost increase is the result of refinement of the scope, design detail, and project estimates developed through the course of planning and design. The revised total project cost is \$2,500,000.

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

The programs offered at the Nancy M. Cummings Research and Education and Extension Center (the Center) focus on cow-calf and forage research station. The Center provides land and facilities for beef cattle research at the scale of a working

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

ranch. The Center also provides continuing education for those involved in the livestock industry and learning opportunities for UI students. The research activities supported by this facility is key to assisting Idaho's beef cattle ranching industry. The extension programming supported by this facility not only disseminates information to adult learners, but also sparks and fosters interest in youth, thus encouraging them to pursue higher levels of education in the Agricultural Sciences.

The programs and research of the Center support workforce readiness by providing the educational and research foundations requisite to develop and disseminate the information and science necessary to serve Idaho's expanding beef cattle ranching industry and workforce, and ensuring that industry's continued economic viability and prosperity. This is key to the State's economic growth and competitiveness.

Research and extension activities at the Center 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, the Center provides critical and beneficial support to the ranching communities and stakeholders within the State of Idaho.

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

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

The new facility will house offices for researchers, principal investigators, graduate students, and interns, the Center's veterinarian, and the Center superintendent and administrative staff.

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

Overall, the facility is envisioned to be approximately 8,300 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 envisioned to be funded largely through donated and gifted funds, supplemented by funds provided by the College of Agricultural and Life Sciences.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

DGStamp Architects have now designed the project. The firm's current construction cost estimate is \$1,682,250, which falls within the revised project construction budget of \$1,685,000. The total project effort is currently estimated at \$2,500,000, including design and construction costs and 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 unique and varied research activities conducted on-site at the Center which are critical to Idaho's ranching community and economy;

**Goal 2, Engage** – This project carries specific intent to better support and deliver the university's education, outreach, and extension activities conducted by the Center;

**Goal 3, Transform** – The education, outreach, and extension activities conducted at the Center have the power to engage the community and transform the lives of students and ranchers alike. Knowledge developed and disseminated at the Center 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 fully consistent with the principles, goals, and objectives related to outreach and extension within the University of Idaho's Long Range Campus Development Plan (LRCDP)

**IMPACT**

The fiscal impact of this effort will be \$2,500,000 in total expenditures, broken out as follows:

**Overall Project Funding**

State	\$
Federal (Grant):	
Other (UI)	
College Funds	640,000

**Estimate Budget**

A/E & Consultant Fees	\$	212,000
Construction		1,685,000
Construction Cont.		168,500
Owner Costs, AV & FFE		319,500

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

---

Gifted Funds	<u>1,860,000</u>	Project Cont.	<u>115,000</u>
Total	\$ 2,500,000	Total	\$ 2,500,000

**ATTACHMENTS**

Attachment 1 – Capital Project Tracking Sheet

Page 5

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff recommends approval.

**BOARD ACTION**

I move to approve the request by the University of Idaho to implement the bidding and construction phases of the capital project to design and construct a proposed Classroom and Office Facility at the Nancy M. Cummings Research, Extension, and Education Center, for a total cost of \$2,500,000 as described in the materials presented. Authorization includes the authority for the Vice President for Finance and Administration to execute all necessary and requisite consulting and vendor contracts to implement the project.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Disposal of Regents real property at University of Idaho (UI) Caine Center, Caldwell

**REFERENCE**

February 2017

Idaho State Board of Education (Board) approved disposal of subject property by State Board of Land Commissioners auction.

**APPLICABLE STATUTE, RULE, OR POLICY**

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

Section 58-335, Idaho Code

**ALIGNMENT WITH STRATEGIC PLAN**

Goal 2, Objectives B and D; Goal 4 Objective C: The reallocation of assets resulting from this disposal of surplus real estate will allow investment in innovative and relevant programs of current programmatic interest to the UI. Such investment in new academic and research initiatives facilitates the creation and development of new ideas and solutions to address Idaho's needs for economic development and the education of its citizens.

**BACKGROUND/DISCUSSION**

In 1978 the Regents acquired 40 acres of unimproved agricultural college endowment land from the State of Idaho for the purpose of constructing and operating the Caine Veterinary Center on land adjoining UI's Caldwell Research and Extension Center. The Regents paid \$111,000 to the State of Idaho for the parcel.

In 2016 UI's College of Agricultural and Life Sciences closed the Caine Center to reallocate College resources to programs and facilities that can better meet the needs of the College's current priorities in animal sciences and other areas. In February 2017, the Regents approved disposal of this property by auction conducted by the Idaho Department of Lands (IDL). The auction was intended to be done in conjunction with an auction of related and adjoining endowment lands by IDL.

Based on a preliminary estimate of auction value (\$665,000) from the IDL consultants, and after consultation with IDL staff, UI chose to market the property in an effort to receive a higher purchase price through a direct sale. UI has received an offer of \$800,000 under the terms of a purchase and sale agreement set out in Attachment 1 hereto, and is seeking approval from the Regents for this alternative method of disposal.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**IMPACT**

The Caine Center has been mothballed and no longer serves any programmatic purpose. Its disposal will eliminate caretaking costs and provide financial resources that can better align with University and College priorities and initiatives.

**ATTACHMENTS**

Attachment 1 - Purchase and Sale Agreement

Page 3

Attachment 2 – Map of subject property

Page 13

**STAFF COMMENTS AND RECOMMENDATIONS**

The University's proposed alternate plan for disposal of the Caine Center property meets the requirements established by Board Policy V.I.5.

Staff recommends approval.

**BOARD ACTION**

I move to approve the request by the University of Idaho to sell the Caine Center property under the terms provided in Attachment 1, and to authorize the University's Vice President for Finance and Administration to execute all necessary transaction documents for conveying the subject property as set forth in Attachment 1.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Athletics plan to address football subdivision transition and athletic budget deficits

**REFERENCE**

February 2017	University of Idaho (UI) reported to State Board of Education (Board) on projected deficit balance for Athletics at the end of FY2017.
April 2017	Board approved one-year waiver of UI Institutional Fund athletic limit, allowing additional funds to be spent on Athletics and avoid FY2017 deficit. Directed UI to report on revisions to Athletics budget at April 2018 Board meeting.

**APPLICABLE STATUTE, RULE, OR POLICY**

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

**ALIGNMENT WITH STRATEGIC PLAN**

**GOAL 1: A WELL-EDUCATED CITIZENRY**

**Objective C: Higher Level of Educational Attainment** – Increase successful progression through Idaho's educational system.

**Performance Measure I.** Percent of Idahoans (ages 25-34) who have a college degree or certificate requiring one academic year or more of study.

**Performance Measure III.** Percentage of new full-time degree-seeking students who return (or who graduate) for second year in an Idaho postsecondary public institution.

**BACKGROUND/ DISCUSSION**

Annually the Department of Athletics brings 330 to 350 full-time student-athletes to UI. The vast majority of these students would not be attending college at UI but for the opportunity provided to play National Collegiate Athletic Association (NCAA) sports in conjunction with their education, many of whom would not be able to afford a higher education degree but for the sports scholarships offered by the Department of Athletics. By creating these educational opportunities, the Department of Athletics is contributing to the Board's strategic vision of creating a highly educated citizenry. Student-athletes are subject to strict progress toward degree requirements. On the whole, they have higher grade point averages and graduate at a higher rate than the general student body. Approximately 30% of University of Idaho student-athletes are first generation college students and through an athletic scholarship have an opportunity to positively change the course of their lives through education.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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In February 2017, UI approached the Board to report that it was projecting a deficit balance in athletics at the end of fiscal year 2017. Initial estimates developed early in the year put the projected deficit at \$1,093,000. Past shortfalls had been covered by athletics reserves. Because those reserves were exhausted prior to the 2017 budget year, the institution was seeking to invest additional funds into the athletics program to prevent a deficit.

During fiscal year 2017, athletics expenditures tracked very closely with initial budget estimates. However, revenue collections fell short of budget in several major categories. Those revenue shortfalls, which included football game guarantees and donations, were the primary driver of the projected deficit. Student fee revenue had also decreased significantly over the past several years as a result of declining student enrollment.

Related to student fee revenue, it should be noted that the ability to increase athletics fees is limited by Board policy. Accordingly, athletics student fee collections had not kept pace with the growth in tuition rates. Over the years, increases in tuition had increased scholarship costs within the Athletics Department. But without corresponding increases in athletics student fee collections, the revenue available to fund those scholarships had not kept pace with rising costs.

Near the end of calendar year 2016, two key football events generated additional revenue that reduced the projected FY2017 deficit. In December 2016, the Vandals were invited to compete in the Famous Idaho Potato Bowl. Participation in this game generated additional net revenue to help offset the projected operating deficit. In addition, the Sun Belt Conference finished in 3<sup>rd</sup> place overall (within the Group of 5), while the Athletics Department had budgeted revenue associated with a 5<sup>th</sup> place finish. This improved conference standing also generated additional revenue for the Athletics Department. Taking into consideration both the Famous Idaho Potato Bowl and an improved conference finish, the institution revised the deficit projection down to under \$1 million.

To address the above-noted temporary shortfalls, and to smooth the transition from the Football Bowl Subdivision (FBS) to the Football Championship Subdivision (FCS) and the accompanying adjustments to overall athletics operations, UI sought the Board's permission to invest additional institutional funds (above the athletic limit)—up to \$1 million per year for up to four years. In April 2017, the Board approved a one-time, one-year waiver of the FY2017 institutional funds cap, authorizing expenditure of an additional \$950,000 from available institutional funds. The waiver allowed the institution to avoid an overall athletics operating deficit in FY2017 and provided for continuity of athletic operations while the department realigned its programs to balance expenditures and revenues during the FBS-to-FCS transition. The Board directed UI to return in April 2018 to report on its revised athletics budget plans.



**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 19, 2018**

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In accordance with the Board's direction to return in April 2018 with a plan, UI has drafted a multi-year financial plan for the athletics department that will result in future balanced athletic budgets.

**IMPACT**

Upon Board approval, UI's proposed athletic plan will enable UI to carry out a smooth transition during the ongoing FBS to FCS transition, preserve access and opportunities for student athletes, and establish viable, balanced budgets for athletic department operations.

**ATTACHMENTS**

Attachment 1 – Outline of proposed Athletics financial plan

Page 5

**STAFF COMMENTS AND RECOMMENDATIONS**

The Business Affairs and Human Resources (BAHR) Committee received a detailed presentation on the UI's proposed athletic budget plan at its meeting on April 6, 2018. BAHR has forwarded the proposal to the full Board for consideration and approval. An overview of the UI's presentation is provided at Attachment 1.

In order for UI to implement its plan option of adding sports (and generating additional revenue through increased enrollment and other efficiency measures) rather than immediate elimination of sports to avoid an athletic budget deficit, the Board would need to waive its current policy (V.X.5.) which requires that deficits be eliminated within two fiscal years.

**BOARD ACTION**

I move to waive the requirement that a plan for balancing an athletic budget deficit be completed within two fiscal years for the University of Idaho as it realigns its athletic programs and associated budgets. The University is directed to implement a plan which will eliminate its athletic deficit within four years, by the end of FY2022, and to provide annual progress reports on implementation of the budget plan to the Board each April, or as otherwise stipulated by the Executive Director.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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