

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018**

TAB	DESCRIPTION	ACTION
1	AMENDMENT TO BOARD POLICY V.R. Indian Education Fee Proposal – Second Reading	Motion to approve
2	PROGRAM PRIORITIZATION UPDATE	Information item
3	DUAL CREDIT COST STUDY REPORT	Information item
4	PERMANENT BUILDING FUND ADVISORY COUNCIL FY 2020 Recommendations	Information item
5	IDAHO STATE UNIVERSITY Funding and Construction of Phase I of EAMES Building Remodel Project	Motion to approve
6	IDAHO STATE UNIVERSITY Interim Master Plan	Motion to approve
7	HURON CONSULTING REPORT	Information item

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018**

SUBJECT

Board Policy V.R. – Establishment of Fees – Second Reading

REFERENCE

December 2014	Idaho State Board of Education (Board) approved second reading of amendments to Policy V.R. authorizing summer bridge program and online program fee.
December 2015	Board approved second reading of amendment to Policy V.R. authorizing in-service teacher educator fees, online program fees and established independent study fee.
February 2016	Board approved first reading of amendment to Policy V.R. which removed professional licensure as a mandatory criterion for an academic professional program to be eligible for consideration for a professional fee.
April 2016	Board approved second reading of amendment to Policy V.R., removing professional licensure as a mandatory criterion for establishing a professional fee.
June 2018	Board approved first reading of amendment to Policy V.R.3.a. - establishing a new fee effective for the 2019-2020 academic year
August 2018	Board approved line item requests including \$600,000 for Indian Education

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.R.
Section 33-3717A, Idaho Code, Fees at State Colleges and Universities

ALIGNMENT WITH STRATEGIC PLAN

Goal 2; Objective C: Access.

BACKGROUND/DISCUSSION

The Idaho Indian Education Committee (Committee) has identified cost as a barrier to Idaho American Indian students' access to postsecondary education. With the goal of increasing access to postsecondary education for tribal members who meet specific eligibility requirements, the committee has requested the Board establish a fee in lieu of tuition, similar to other fees established by the Board in policy V.R. Establishment of Fees.

Committee members have emphasized that the median incomes of American Indian families in Idaho are below the averages for Idaho's population at large. According to the US Census Bureau, the median income for American Indian households is \$10,000 less than the median income for total Idaho households.

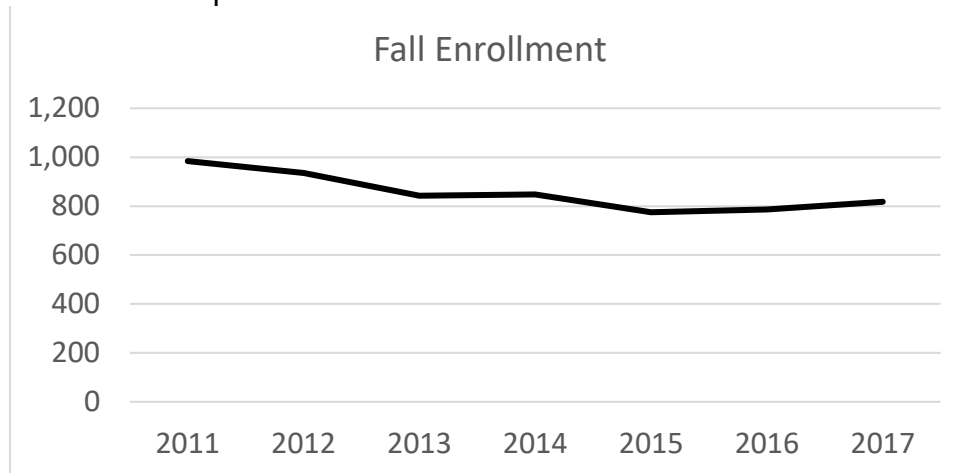
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American Indian Households	Total Idaho Households
Median Income	Median Income
\$35,000 to \$39,999	\$45,000 to \$49,999

Source: US Census Bureau

Since 2011, American Indian students attending an Idaho public institution has decreased 17 percent.



Source: Integrated Postsecondary Education Data System

The Committee proposes the fee as a means to reverse the trend of American Indian students being “priced out” of postsecondary education. The proposal for undergraduate and graduate students to pay \$60 per credit is an effort to make postsecondary education more affordable for this population. In order to receive the benefit, the Committee recommends students:

- Be an enrolled member of one of Idaho’s five federally recognized American Indian tribes that maintains a reservation in Idaho: Coeur d’Alene Tribe, Kootenai Tribe, Nez Perce Tribe, Shoshone-Bannock Tribes, and Shoshone-Paiute Tribes.
- Provide verification of tribal enrollment, such as a Tribal Enrollment Card, from the appropriate tribe.
- Apply for the Free Application for Federal Student Aid (FAFSA) by March 1 for each academic year the proposed fee is requested.
- Maintain satisfactory academic progress according to institutional requirements.
- Be degree-seeking.

The recommended American Indian Student Fee was incorporated into Board Policy V.R. Establishment of Fees and was approved by the Board as a first reading contingent on appropriation by the legislature of funds to offset the fiscal impact.

IMPACT

Approval of the second reading of Board Policy V.R. would allow the policy amendment to go take effect once funding was appropriated.

ATTACHMENTS

Attachment 1 – Section V.R. – Second Reading

Attachment 2 – Letters of Support from Idaho's Tribes

Attachment 3 – Analysis from Dylan R. Hedden-Nicely, University of Idaho, College of Law

STAFF COMMENTS AND RECOMMENDATIONS

At the June 21, 2018 Board meeting, the Board approved the first reading of Board Policy V.R.3.a. establishing a \$60 per credit hour fee, instead of tuition, for Idaho American Indian students from five tribes contingent on appropriation by the legislature to offset the fiscal impact due to lost tuition revenue. Board staff was directed by the Board to develop a FY 2020 line item request for funds to offset the fee. At the June 21st meeting, the Board also authorized Idaho State University to pilot the new fee during the 2018-2019 school year.

Pursuant to Idaho Code, Section 33-3717B(1)(j), a student who “is a member of an Idaho Native American Indian tribe, whose traditional and customary tribal boundaries included portions of the state of Idaho, or whose Indian tribe was granted reserved lands within the state of Idaho” qualifies for resident tuition, regardless of whether the student lives in Idaho. Other states which include similar resident tuition benefits, include California, Iowa, Utah, Washington and Oklahoma.

A concern was raised regarding the proposed policy that the proposed fee might be challenged on constitutional grounds. Whether such a challenge would be successful is unclear. As discussed at the June 21st meeting, there is a United States Supreme Court decision in which a preference for Indians (phrased used in opinion) for employment at the Bureau of Indian Affairs was upheld and found to be related to the sovereignty of the federally recognized tribes. The preference was not considered in that context to be a racial preference. Morton v. Mancari, 417 U.S. 535 (1974). The 9th Circuit has questioned whether the same analysis would apply to preferences not tied to “uniquely Indian interests” such as protection for land, tribal status, self-government or culture. Williams v. Babbitt, 115 F.3d 657, 664-665 (1997).

Eight states have been identified which provide tuition waivers for Native American Indians. The basis for the waivers in those states varies, but in several instances is tied to a federal treaty obligation, to a state constitutional obligation, to a mandate included with the transfer of land to a state by the federal government, and/or to a state statute.

The following list summarizes the authority identified in other states with similar benefits for American Indian students:

- Michigan's program is authorized by statute;
- Massachusetts' program has a “legal and historical basis” related to treaties and legal document from the colonial era;

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- University of Minnesota: tuition waiver mandated in the transfer by the federal government to the state of land previously occupied by a reservation boarding school to Minnesota;
- Montana waiver adopted by the regents and tied to financial need;
- Colorado Fort Lewis College at Durango: benefit is funded through federal legislation;
- Kansas Haskell Indian Nations University funded by the Bureau of Indian Education as a U.S. trust responsibility to American Indian tribes;
- North Dakota offers a benefit but it is not limited to members of tribes but rather is designed to “promote enrollment of a culturally diverse student body, including members of tribes...”

Idaho does not have similar agreements or statutory authority currently in place.

BOARD ACTION

I move to approve the second reading of proposed amendment to Board policy Section V.R., Establishment of Fees, as presented in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes ____ No ____

1. Board Policy on Student Tuition and Fees

Consistent with the Statewide Plan for Higher Education in Idaho, the institutions shall maintain tuition and fees that provide for quality education and maintain access to educational programs for Idaho citizens. In setting fees, the Board will consider recommended fees as compared to fees at peer institutions, percent fee increases compared to inflationary factors, fees as a percent of per capita income and/or household income, and the share students pay of their education costs. Other criteria may be considered as is deemed appropriate at the time of a fee change. An institution cannot request more than a ten percent (10%) increase in the total full-time student fee unless otherwise authorized by the Board.

2. Tuition and Fee Setting Process – Board Approved Tuition and Fees

a. Initial Notice

A proposal to alter student tuition and fees covered by Subsection V.R.3. shall be formalized by initial notice of the chief executive officer of the institution at least six (6) weeks prior to the Board meeting at which a final decision is to be made.

Notice will consist of transmittal, in writing, to the student body president and to the recognized student newspaper during the months of publication of the proposal contained in the initial notice. The proposal will describe the amount of change, statement of purpose, and the amount of revenues to be collected.

The initial notice must include an invitation to the students to present oral or written testimony at the public hearing held by the institution to discuss the fee proposal. A record of the public hearing as well as a copy of the initial notice shall be made available to the Board.

b. Board Approval

Board approval for fees will be considered when appropriate or necessary. This approval will be timed to provide the institutions with sufficient time to prepare the subsequent fiscal year operating budget.

c. Effective Date

Any change in the rate of tuition and fees becomes effective on the date approved by the Board unless otherwise specified.

3. Definitions and Types of Tuition and Fees

The following definitions are applicable to tuition and fees charged to students at all of the state colleges and universities under the governance of the Board (the community colleges are included only as specified).

a. General and Career Technical Education Tuition and Fees

Tuition and fees approved by the State Board of Education. Revenues from these fees are deposited in the unrestricted fund.

i. Tuition – University of Idaho, Boise State University, Idaho State University, Lewis-Clark State College

Tuition is the amount charged for any and all educational costs at University of Idaho, Boise State University, Idaho State University, and Lewis-Clark State College. Tuition includes, but is not limited to, costs associated with academic services; instruction; the construction, maintenance, and operation of buildings and facilities; student services; or institutional support.

ii. Career Technical Education Fee

Career Technical Education fee is defined as the fee charged for educational costs for students enrolled in Career Technical Education pre-employment, preparatory programs.

iii. Part-time Credit Hour Fee

Part-time credit hour fee is defined as the fee per credit hour charged for educational costs for part-time students enrolled in any degree program.

iv. Graduate Fee

Graduate fee is defined as the additional fee charged for educational costs for full-time and part-time students enrolled in any post- baccalaureate degree-granting program.

v. Western Undergraduate Exchange (WUE) Fee

Western Undergraduate Exchange fee is defined as the additional fee for full-time students participating in this program and shall be equal to fifty percent (50%) of the total of tuition, facility fee, technology fee and activity fee.

vi. Employee/Spouse/Dependent Fee

The fee for eligible participants shall be set by each institution, subject to Board approval. Eligibility shall be determined by each institution. Employees, spouses and dependents at institutions and agencies under the jurisdiction of the Board may be eligible for this fee. Employees of the Office of the State Board of Education and the Division of Career Technical Education shall be treated as institution employees for purposes of eligibility. Special course fees may also be charged.

vii. Senior Citizen Fee

The fee for eligible participants shall be set by each institution, subject to Board approval. Eligibility shall be determined by each institution.

viii. In-Service Teacher Education Fee

This fee shall be applicable only to teacher education courses offered as teacher professional development. This fee is not intended for courses which count toward an institution's degree programs. Courses must be approved by the appropriate academic unit(s) at the institution. For purposes of this special fee only, "teacher" means any certificated staff (i.e. pupil services, instructional and administrative).

- a) The fee shall not exceed one-third of the part-time undergraduate credit hour fee or one-third of the graduate credit hour fee for Idaho teachers employed at an Idaho elementary or secondary school; and
- b) The credit-granting institution may set a course fee up to the regular undergraduate or graduate credit hour fee for non-Idaho teachers, for teachers who are not employed at an Idaho elementary or secondary school, or in cases where the credit-granting institution bears all or part of the costs of delivering the course.

ix. Transcription Fee

A fee may be charged for processing and transcribing credits. The fee shall be \$10.00 per credit for academic year 2014-15 only, and set annually by the Board thereafter. This fee may be charged to students enrolled in a qualified Workforce Training course where the student elects to receive credit. The cost of delivering Workforce Training courses, which typically are for noncredit, is an additional fee since Workforce Training courses are self-supporting. The fees for delivering the courses are retained by the technical colleges. This fee may also be charged for transcribing demonstrable technical competencies.

x. Online Program Fee

- a) An online program fee may be charged for any fully online undergraduate, graduate, and certificate program. An online program fee shall be in lieu of resident or non-resident tuition (as defined in Idaho Code §33-3717B) and all other Board-approved fees. An online program is one in which all courses are offered and delivered via distance learning modalities (e.g. campus-supported learning management system, videoconferencing, etc.); provided however, that limited on-campus meetings may be allowed if necessary for accreditation purposes or to ensure the program is pedagogically sound.
- b) Nothing in this policy shall preclude pricing online programs at a market competitive rate which may be less or more than the current resident or non-resident per credit hour rates.

xi. American Indian Student Fee

Enrolled members of the following five Idaho tribes, which maintain reservations in Idaho, are eligible for a fee of \$60 per credit hour, in lieu of tuition: Coeur d'Alene Tribe, Kootenai Tribe, Nez Perce Tribe, Shoshone-Bannock Tribes, and Shoshone-Paiute Tribes. The \$60 per credit hour fee will be applicable to degree-seeking students for any academic or technical undergraduate or graduate program. Special course fees and institutional local fees may also be charged. Eligible students must provide proof of enrollment in an eligible tribe, and must apply for the Free Application for Federal Student Aid (FAFSA) by March 1 for each academic year in which the fee is requested. Institutions may set the criteria for satisfactory academic progress to maintain eligibility for the fee.

b. Institutional Local Fees – Approved by the Board

Institutional local fees are student fees that are approved by the State Board of Education and deposited into local institutional accounts. Local fees shall be expended for the purposes for which they were collected.

The facilities, activity and technology fees shall be displayed with the institution's tuition and fees when the Board approves tuition and fees.

i. Facilities Fee

Facilities fee is defined as the fee charged for capital improvement and building projects and for debt service required by these projects. Revenues collected from this fee may not be expended on the operating costs of the general education facilities.

ii. Activity Fee

Activity fee is defined as the fee charged for such activities as intercollegiate athletics, student health center, student union operations, the associated student body, financial aid, intramural and recreation, and other activities which directly benefit and involve students. The activity fee shall not be charged for educational costs or major capital improvement or building projects. Each institution shall develop a detailed definition and allocation proposal for each activity for internal management purposes.

iii. Technology Fee

Technology fee is defined as the fee charged for campus technology enhancements and operations directly related to services for student use and benefit (e.g., internet and web access, general computer facilities, electronic or online testing, and online media).

iv. Professional Fees

To designate a professional fee for a Board approved academic program, *all* of the following criteria must be met:

a) Credential or Licensure Requirement:

- 1) A professional fee may be charged for an academic professional program if graduates of the program obtain a specialized higher education degree that qualifies them to practice a professional service involving expert and specialized knowledge for which credentialing or licensing may be required. For purposes of this fee, "academic" means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for a baccalaureate, master's, specialist or doctoral degree as defined in policy III.E.1.;
- 2) The program leads to a degree which provides at least the minimum capabilities required for entry to the practice of a profession.

b) Accreditation Requirement: The program:

- 1) is accredited,
- 2) is actively seeking accreditation if a new program, or
- 3) will be actively seeking accreditation after the first full year of existence if a new program by a regional or specialized accrediting agency.

- c) Extraordinary Program Costs: Institutions will propose professional fees for Board approval based on the costs to deliver the program. An institution must provide clear and convincing documentation that the cost of the professional program significantly exceeds the cost to deliver non-professional programs at the institution. A reduction in appropriated funding in support of an existing program is not a sufficient basis alone upon which to make a claim of extraordinary program costs.
 - d) The program may include support from appropriated funds.
 - e) The program is consistent with traditional academic offerings of the institution serving a population that accesses the same activities, services, and features as regular full-time, tuition-paying students.
 - f) Upon the approval and establishment of a professional fee, course fees associated with the same program shall be prohibited.
 - g) Once a professional fee is initially approved by the Board, any subsequent increase in a professional fee shall require prior approval by the Board at the same meeting institutions submit proposals for tuition and fees.
- v. Self-Support Academic Program Fees
- a) Self-support programs are academic degrees or certificates for which students are charged program fees, in lieu of tuition. For purposes of this fee, “academic” means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for an academic certificate, baccalaureate, master’s, specialist or doctoral degree. To bring a Self-support program fee to the Board for approval, the following criteria must be met:
 - 1) An institution shall follow the program approval guidelines set forth in policy III.G.
 - 2) The Self-support program shall be a defined set of specific courses that once successfully completed result in the awarding of an academic certificate or degree.
 - 3) The Self-support program shall be distinct from the traditional offerings of the institution by serving a population that does not access the same activities, services and features as full-time, tuition paying students, such as programs designed specifically for working professionals, programs offered off-campus, or programs delivered completely online.
 - 4) No appropriated funds may be used in support of Self-support programs. Self-support program fee revenue shall cover all direct costs of the

program. In addition, Self-support program fee revenue shall cover all indirect costs of the program within two years of program start-up.

- 5) Self-support program fees shall be segregated, tracked and accounted for separately from all other programs of the institution.
- b) If a Self-support program fee is requested for a new program, an institution may fund program start-up costs with appropriated or local funds, but all such funding shall be repaid to the institution from program revenue within a period not to exceed three years from program start-up.
- c) Once a Self-support program fee is initially approved by the Board, any subsequent increase in a Self-support program fee shall require prior approval by the Board.
- d) Institutions shall review Self-support academic programs every three (3) years to ensure that program revenue is paying for all program costs, direct and indirect, and that no appropriated funds are supporting the program.
- e) Students enrolled in self-support programs may take courses outside of the program so long as they pay the required tuition and fees for those courses.

vi. Contracts and Grants

Special fee arrangements are authorized by the Board for instructional programs provided by an institution pursuant to a grant or contract approved by the Board.

vii. Student Health Insurance Premiums or Room and Board Rates

Fees for student health insurance premiums paid either as part of the uniform student fee or separately by individual students, or charges for room and board at the dormitories or family housing units of the institutions. Changes in insurance premiums or room and board rates or family housing charges shall be approved by the Board no later than three (3) months prior to the semester the change is to become effective. The Board may delegate the approval of these premiums and rates to the chief executive officer.

viii. New Student Orientation Fee

This fee is defined as a mandatory fee charged to all first-time, full-time students who are registered and enrolled at an institution. The fee may only be used for costs of on-campus orientation programs such as materials, housing, food and student leader stipends, not otherwise covered in Board-approved tuition and fees.

ix. Dual Credit Fee

High school students who enroll in one or more dual credit courses delivered by high schools (including Idaho Digital Learning Academy), either face-to-face or online, are eligible to pay a reduced cost per credit which is approved at the Board's annual tuition and fee setting meeting. The term "dual credit" as used in this section is defined in Board Policy III.Y.

x. Summer Bridge Program Fee

This fee is defined as a fee charged to students recently graduated from high school, who are admitted into a summer bridge program at an institution the summer immediately following graduation from high school, and who will be enrolling in pre-determined college-level courses at the same institution the fall semester of the same year for the express purpose of acquiring knowledge and skills necessary to be successful in college. The bridge program fee shall be \$65 per credit for academic year 2014-15 only, and set annually by the Board thereafter.

xi. Independent Study in Idaho

A fee may be charged for courses offered through the Independent Study in Idaho (ISI) cooperative program. Complete degree programs shall not be offered through the ISI. Credits earned upon course completion shall transfer to any Idaho public college or university. The ISI program shall receive no appropriated or institutional funding, and shall operate alone on revenue generated through ISI student registration fees.

c. Institutional Local Fees and Charges Approved by Chief Executive Officer

The following local fees and charges are charged to support specific activities and are only charged to students that engage in these particular activities. Local fees and charges are deposited into local institutional accounts or the unrestricted fund and shall only be expended for the purposes for which they were collected. All local fees or changes to such local fees are established and become effective in the amount and at the time specified by the chief executive officer or provost of the institution. The chief executive officer is responsible for reporting these local fees to the Board upon request.

i. Continuing Education

Continuing education fee is defined as the additional fee to continuing education students which is charged on a per credit hour basis to support the costs of continuing education.

ii. Course Overload Fee

This fee may be charged to full-time students with excessive course loads as determined by each institution. Revenue from this fee is deposited in the unrestricted fund.

iii. Special Course Fees

A special course fee is an additive fee on top of the standard per credit hour fee which may be charged to students enrolled in a specific course for materials and/or activities required for that course. Special course fees, or changes to such fees, are established and become effective in the amount and at the time specified by the chief executive officer or provost, and must be prominently posted so as to be readily accessible and transparent to students, along with other required course cost information. These fees shall be reported to the Board upon request.

- a) Special course fees shall be directly related to academic programming. Likewise, special course fees for career technical courses shall be directly related to the skill or trade being taught.
- b) Special course fees may only be charged to cover the direct costs of the additional and necessary expenses that are unique to the course. This includes the costs for lab materials and supplies, specialized software, cost for distance and/or online delivery, and personnel costs for a lab manager. A special course fee shall not subsidize other courses, programs or institution operations.
- c) A special course fee shall not be used to pay a cost for which the institution would ordinarily budget including faculty, administrative support and supplies.
- d) Special course fees shall be separately accounted for and shall not be commingled with other funds; provided however, multiple course fees supporting a common special cost (e.g. language lab, science lab equipment, computer equipment/software, etc.) may be combined. The institution is responsible for managing these fees to ensure appropriate use (i.e. directly attributable to the associated courses) and that reserve balances are justified to ensure that fees charged are not excessive.
- e) The institution shall maintain a system of procedures and controls providing reasonable assurance that special course fees are properly approved and used in accordance with this policy, including an annual rolling review of one-third of the fees over a 3-year cycle.

iv. Processing Fees, Permits and Fines

- a) Processing fees may be charged for the provision of academic products or services to students (e.g. undergraduate application fee, graduate

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application fee, program application fee, graduation/diploma fee, and transcripts). Fees for permits (e.g. parking permit) may also be charged.

- b) Fines may be charged for the infraction of an institution policy (e.g., late fee, late drop, library fine, parking fine, lost card, returned check, or stop payment).

All processing fees, permit fees and fines are established and become effective in the amount and at the time specified by the chief executive officer, and shall be reported to the Board upon request.

The SHOSHONE-BANNOCK TRIBES

FORT HALL INDIAN RESERVATION
 PHONE (208) 478-3700
 FAX # (208) 237-0797



FORT HALL BUSINESS COUNCIL
 P.O. BOX 306
 FORT HALL, IDAHO 83203

September 14, 2018

Matt Freeman, Executive Director,
 Office of the State Board of Education
 P.O. Box 83720
 Boise, ID 83720-0037

Re: Legal Opinion Regarding Reduced College Tuition For Tribal Members

The Shoshone-Bannock Tribes (Tribes) appreciates the support of the Idaho State Board of Education in approving the fee reduction for tribal students at Idaho State University. We have an optimistic outlook for the future of tribal education and empowering our Tribal members in their individual careers and contributing to a stronger tribal and regional economy. The Tribes have received the August 7, 2018 letter from Matt Freeman, Executive Director of the Office of State Board of Education and Yolanda Bisbee, Chair of the Idaho Indian Education Committee, requesting input from the Shoshone-Bannock Tribes on the legality of the American Indian Student Fee. On behalf of the Tribes, I offer the following legal opinion by our Special Counsel, Jeanette Wolfley, Attorney at Law.

It appears there is a concern that the proposed action is a civil rights accommodation and may be challenged as a violation of the equal protection clause of the Fourteenth Amendment of the U.S. Constitution and Idaho's Constitution, and the Civil Rights Act. A potential equal protection challenge would argue that the state action amounts to an affirmative action measure or one based on the race of a student. Such argument is incorrect because as discussed in this opinion tribal members are treated under the law as members of political entities (Indian tribes) not racial groups, and therefore the equal protection clause and Civil Rights Act do not apply. This opinion primarily focuses on the federal government's different treatment of Indians and Indian tribes and the case decisions that have held special treatment. However, courts have made clear that state action implementing federal law aimed at furthering the federal government's trust responsibility is subject to the same rational basis equal protection test. *See, e.g., Washington v. Confederated Bands and Tribes of the Yakima Indian Nation*, 439 U.S. 463 (1979); *Articoke Joe v. California*.

There is ample legal authority for the Idaho State Board of Education to single out enrolled tribal members for special treatment in administering the statutes or policies under its jurisdiction if doing so is rationally related to the students being members of sovereign Indian tribes. Thirteen states have chosen to do so by providing fee waivers, or reduced fees to members

of Indian tribes.¹ Under principles of federal Indian law, such actions are political in nature, and as a result do not constitute prohibited race-based classifications prohibited under the Constitution. This principle has been recognized and repeatedly reaffirmed by the United States Supreme Court and every federal Circuit Court of Appeals that has considered it.

I. Indian Tribes are Political, Sovereign Entities

Indian tribes are political, sovereign entities whose status stems from the inherent sovereignty they possess as self-governing people predating the founding of the United States. See *Worcester v. Georgia*, 31 U.S. 515 (1832). And, since its founding the United States has recognized tribes as such. See *Morton v. Mancari*, 417 U.S. 535 (1974). As the Supreme Court explained in 1876, “from the commencement of its existence, the United States has negotiated with the Indians in their tribal condition as nations.” *United States v. Forty-Three Gallons of Whiskey*, 93 U.S. 188, 196 (1876).² Although treaty making with Indian tribes formally ended in 1871, the federal government has continued to interact with Indian tribes as political entities through statutes and administrative actions. Early Supreme Court decisions also confirmed the status of Tribes as political entities operating within the confines of the United States. *Worcester v. Georgia*, 31 U.S. 515 (1832); *Cherokee Nation v. Georgia*, 30 U.S. 1 (1831); *Johnson v. McIntosh*, 21 U.S. 543 (1823).

Through treaty making and its general course of dealings, the United States took on a special and unique trust responsibility for Indians and Indian tribes. See *Morton v. Mancari*, 417 U.S. at 552; *United States v. Kagama*, 118 U.S. 375, 384 (1886); *Cherokee Nation v. Georgia*, 30 U.S. 1. In entering into those treaties, Indian tribes as political entities had exercised their sovereignty by bargaining for what they could in exchange for portions of their land or other concessions—all with the goal of providing for their people. In turn, treaty promises made by the federal government helped to shape the country’s view of its responsibilities to Indians and Indian tribes. As the Supreme Court recently noted, although the federal trust responsibility to Indian tribes is not the same as a private trust enforceable under common law, “[t]he Government, following a humane and self imposed policy . . . has charged itself with moral obligations of the highest responsibility and trust.” *United States v. Jicarilla Apache Nation*, 564 U.S. 162, 176 (2011) (omitting internal quotations) (quoting *Seminole Nation v. United States*, 316 U.S. 286, 296–97 (1942)).

¹ California, Colorado, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Montana, North Dakota, Oklahoma, Utah, and Washington.

² The United States entered into the first treaty with an Indian tribe in 1778. Once the Constitution was ratified, President George Washington worked with the Senate to ratify treaties in the late 1780s, thereby establishing that treaties with Indian tribes would utilize the same political process that treaties with foreign nations must go through. COHEN’S HANDBOOK OF FEDERAL INDIAN LAW 31–32 (Nell Jessup Newton et al. eds., 2012 ed.); see also *Marks v. United States*, 161 U.S. 297, 302 (1896).

II. The Federal Government and States May Lawfully Single Out Indians and Indian Tribes for Special Treatment

The United States Constitution recognizes that Indian tribes have a unique political status within the federal system. The federal government is said to have broad “plenary” power over Indian affairs drawn explicitly and implicitly from the Constitution, including the Indian commerce clause, U.S. CONST., art. I, § 8, cl. 3. 11 U.S. CONST., art. II, § 2, cl. 2, the treaty clause, U.S. CONST., art. II, § 2, cl. 2., and other provisions, as well as “the Constitution’s adoption of pre-constitutional powers necessarily inherent in any Federal Government” and the general relationship between the United States and Indian tribes. *United States v. Lara*, 541 U.S. 193, 200–01 (2004); *see also Morton v. Mancari*, 417 U.S. at 551–52; *McClanahan v. State Tax Comm’n of Arizona*, 411 U.S. 164, 172 n.7 (1973); *United States v. Holliday*, 70 U.S. 407, 418 (1865); H.R. CON. RES. 331, 100th Cong. (1988) (reaffirming government-to-government relationship with Indian tribes recognized in Constitution).

In 1974, the Supreme Court in the landmark case of *Morton v. Mancari*, held that the federal government could lawfully treat Indians and Indian tribes differently from other groups in carrying out the trust responsibility without violating the United States Constitution’s equal protection clause. 417 U.S. 535 (1974). The Court explained that such treatment is not directed at a suspect racial classification but rather at a unique and non-suspect class that is based on a political relationship with tribal entities recognized as separate sovereigns in the Constitution. *Id.* at 553–55. The Court noted that “there is no other group of people favored in this manner.” *Id.* at 554. Thus, while the Supreme Court’s civil rights jurisprudence has generally applied strict scrutiny when reviewing classifications based on race, color, or national origin,³ the Court in *Mancari* held that the strict scrutiny test was not appropriate when reviewing the Indian employment preference law at issue in that case. 417 U.S. at 553–55. The Court explained that the analysis instead “turns on the unique legal status of Indian tribes under federal law and upon the plenary power of Congress [drawn from the Constitution], based on a history of treaties and the assumption of a ‘guardian-ward’ status, to legislate on behalf of federally recognized Indian tribes.” *Id.* at 551. The Court went on to mandate that, “[a]s long as the special treatment [for Indians] can be tied rationally to the fulfillment of Congress’ unique obligation toward the Indians, such legislative judgments will not be disturbed.” *Id.* at 555.

The Supreme Court’s conclusion that the federal government can treat Indians and Indian tribes differently from other citizens based on a political rather than racial status acknowledges

³ The Supreme Court has interpreted Title VI of the Civil Rights Act, 42 U.S.C. §§2000d et seq., to allow racial and ethnic classifications only if those classifications are permissible under the equal protection clause. *Regents of Univ. of Cal. v. Bakke*, 438 U.S. 265, 287 (1978). The Court has stated that “all racial classifications, imposed by whatever federal, state, or local governmental actor, must be analyzed by a reviewing court under strict scrutiny. In other words, such classifications are constitutional only if they are narrowly tailored measures that further compelling governmental interests.” *Adarand Constructors, Inc. v. Peña*, 515 U.S. 200, 227 (1995).

that Indian tribes are political sovereigns (and Indians are members of those political sovereigns). Following *Morton v. Mancari*, the Supreme Court has explained that the federal government is not acting on behalf of a “racial group consisting of Indians,” but instead the different treatment is “rooted in the unique status of Indians as a separate people with their own political institutions” and in Indian tribes’ status as “quasi-sovereign tribal entities.” *United States v. Antelope*, 430 U.S. 641, 645–46 (1977) (omitting internal quotations).

As former Supreme Court Justice Antonin Scalia acknowledged in an opinion he authored for the United States Court of Appeals for the D.C. Circuit, Indians and Indian tribes do not qualify as a suspect classification for purposes of an equal protection analysis because the “Constitution itself establishes the rationality of the present classification” through its “provi[sion of] a separate federal power which reaches only the present group.” *United States v. Cohen*, 733 F.2d 128, 139 (D.C. Cir. 1984) (citing *United States v. Antelope*, 430 U.S. 641, 649 n.11 (1977)). In its decision in *United States v. Antelope*, the Supreme Court explained:

The decisions of this Court leave no doubt that federal legislation with respect to Indian tribes, although relating to Indians as such, is not based upon impermissible racial classifications. Quite the contrary, classifications singling out Indian tribes as subjects of legislation are expressly provided for in the Constitution and supported by the ensuing history of the Federal Government’s relations with Indians.

430 U.S. at 645.

Since *Mancari*, the Supreme Court has continuously upheld the principle that federal actions that single Indians and Indian tribes out do not unconstitutionally target a racial classification, including actions other than the Indian hiring preference at issue in *Mancari*. The Supreme Court has done so many times, *See, e.g., Washington v. Washington State Commercial Passenger Fishing Vessel Ass’n*, 443 U.S. 658, 673 n.20 (1979); *Washington v. Confederated Bands & Tribes of Yakima Indian Nation*, 439 U.S. 463, 500–01 (1979); *Delaware Tribal Bus. Comm. v. Weeks*, 430 U.S. 73, 84–85 (1977); *United States v. Antelope*, 430 U.S. at 645–46; *Moe v. Confederated Salish & Kootenai Tribes of Flathead Reservation*, 425 U.S. 463, 479–80 (1976); *Fisher v. Dist. Court of Sixteenth Judicial Dist. of Montana, in & for Rosebud Cty.*, 424 U.S. 382, 390–91 (1976).

Moreover, every United States Circuit Court of Appeals that has discussed the issue has affirmed the principles of *Mancari*, *See, e.g., KG Urban Enterprises, LLC v. Patrick*, 693 F.3d 1, 17–20 (1st Cir. 2012); *United States v. Wilgus*, 638 F.3d 1274, 1286–87 (10th Cir. 2011); *Means v. Navajo Nation*, 432 F.3d 924, 932–35 (9th Cir. 2005), *cert. denied*, 549 U.S. 952 (2006); *Am. Fed’n of Gov’t Employees, AFL-CIO v. United States*, 330 F.3d 513, 520–23 (D.C. Cir. 2003); *Peyote Way Church of God, Inc. v. Thornburgh*, 922 F.2d at 1214–16; *Bordeaux v. Hunt*, 621 F. Supp. 637, 653 (D.S.D. 1985) *aff’d sub nom.*, 809 F.2d 1317 (8th Cir. 1987); *United States v. State of Mich.*, 471 F. Supp. 192, 271 (W.D. Mich. 1979) *aff’d in part*, 653 F.2d 277 (6th Cir.), *cert. denied*, 454 U.S. 1124 (1981)).

Federal agencies also have applied the principles in promulgating and implementing regulations. *See, e.g., EEOC v. Peabody W. Coal Co.*, 773 F.3d 977, 982–89 (9th Cir. 2014) (upholding federal agency approval of company’s lease to mine coal on Indian tribes’ reservations that included hiring preference for tribal members); *United States v. Decker*, 600 F.2d 733, 740–41 (9th Cir. 1979) (upholding federal agency regulation enacted to implement tribes’ treaty fishing rights and international treaty); *Parravano v. Babbitt*, 861 F.Supp. 914, 926–28 (N.D. Cal. 1994) (upholding federal agency authorization via regulation of fish harvest for tribal members); *see also United States v. Michigan*, 471 F.Supp. 192, 270–71 (W.D. Mich. 1979) (finding state compliance with federal agency regulation protecting Indians’ treaty rights would not violate equal protection clause).

To find that federal actions targeted at Indians and Indian tribes violate the Constitution’s equal protection clause would have drastic impacts on the federal government’s ability to carry out its trust responsibilities to Indians and Indian tribes, and would be entirely inconsistent with well-settled law. As the Supreme Court recognized, if the United States’ different treatment of Indians and Indian tribes “were deemed invidious racial discrimination, an entire Title of the United States Code (25 U.S.C. [containing Indian laws]) would be effectively erased and the solemn commitment of the Government toward the Indians would be jeopardized.” *Morton v. Mancari*, 417 U.S. at 552. The same would be true of Title 25 and portions of Title 42 of the Code of Federal Regulations.

III. The Civil Rights Act Does Not Prohibit the Federal and State Governments from Enacting Legislation Related to Indians and Indian tribes

The Civil Rights Act of 1964 broadly prohibits race-based discrimination, stating:

No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

42 U.S.C. § 2000d. The Civil Rights Act on its face does not prohibit the federal actions singling out Indians and the Indian education for different treatment. This is because federal actions that carry out the federal trust responsibility do not constitute racial discrimination. As discussed above, such actions are not directed at a suspect racial classification for purposes of an equal protection analysis.

Although the Supreme Court has interpreted the Civil Rights Act as incorporating equal protection jurisprudence regarding suspect classifications, *See Regents of Univ. of California v. Bakke*, 438 U.S. at 287, federal actions directed at Indians and Indian tribes that carry out the federal trust responsibility to Indians do not identify a suspect class and do not constitute race-based discrimination pursuant to the Civil Rights Act. *See EEOC v. Peabody W. Coal Co.*, 773 F.3d 977, 989 (9th Cir. 2014) (examining Civil Rights Act’s prohibition against discrimination in employment).

The Supreme Court in *Morton v. Mancari* addressed the issue of whether the Indian hiring preference violated the prohibitions against race-based discrimination found in the Civil Rights Act and then in the 1972 amendments of the Equal Employment Opportunity Act, although it did so in the context of discrimination in employment. *Mancari*, 417 U.S. at 545–551 (holding Equal Employment Opportunity Act did not repeal Indian hiring preference, and citing as one reason that Congress included exemption for certain Indian hiring preferences in Civil Rights Act, which was made applicable to federal government through Equal Employment Opportunity Act did).

The Court determined that the later-enacted statutory prohibitions against race-based discrimination in hiring did not repeal the earlier-enacted Indian hiring preference. *Id.* It found that the hiring preference at issue “did not constitute racial discrimination of the type otherwise proscribed.” *Id.* at 548. According to the Court, to categorize the Indian hiring preference as violating the statutory prohibition against race-based discrimination would be “formalistic reasoning that ignores both the history and purposes of the preference and the unique legal relationship between the Federal Government and tribal Indians.” *Id.* at 550. Therefore, the Civil Rights Act does not prohibit special accommodations for Indians or Indian tribes in the education context.

IV. Congress and States Have Lawfully Enacted Indian Education Legislation and Policies to Help Provide for the Education of Indians

Congress has authorized appropriations and enacted numerous Indian specific laws to fulfill its trust responsibility to provide for the education of Indian people. Beginning in the 1794 Treaty with the Oneida, over 150 treaties between tribes and United States have included education provisions. For example, Articles 3 and 7 of the Treaty with the Shoshone and Bannocks of 1868, 15 Stat. 673, provides that the tribes shall provide a school for the Tribal children, a teacher and education to civilize them. Additionally, it states the Tribes will compel their children to attend school and ordering the Indian agent to ensure strict compliance with this stipulation. This article established the trust responsibility of the federal government to educate and provide funding for education of Shoshone-Bannock Tribal members. Despite this treaty commitment federal funding for education has been woefully inadequate for schools and students.

More generally, Congress has also enacted numerous Indian-specific provisions in laws of general applicability to accommodate the unique aspects of the education for Indians. Today, Congress and the Executive agree that the federal government has special responsibility for the education of Indians. See, e.g., 25 U.S.C. §§ 2000, 2501 (reciting trust responsibility for education); Exec. Order No. 13, 592, 76 Fed. Reg. 76603 (2011) (trust responsibility and solemn obligations require federal agencies to improve education opportunities to all American Indian/Alaska Native students attending Bureau of Indian Education funded schools and postsecondary institutions).

Native students face many challenges – underfunding of education and healthcare, lack of jobs, lack of access to schools, and lack of policies to support economic progress and

sustainability. Native students find it harder to fund higher education but also face educational challenges. Numerous studies demonstrate that Native students generally underperform poorly in high school, face discrimination from the school and other students, and must overcome language barriers. Native students have some of the highest dropout rates in high schools. It is quite an accomplishment for a Native student to graduate from high school and often may be the first in their family to graduate and seek a college degree. Many states recognize these hardships and thus have determined to waive the fees for college native students.

Like the federal government, states have a strong interest in furthering education for all its citizens, including Indian students. The states have a legal responsibility to educate all students, including Indian students. State and local governments may not discriminate against Indian students and must afford them an education equal to that afforded other state citizens. See *Natonabah v. Bd. Of Ed.*, 355 F. Supp. 716, 724 (D. N.M. 1973). Additionally, Title VI of the Civil Rights Act, 42 U.S.C. § 2000d, and the Equal Educational Opportunity Act, 20 U.S.C. § 1701 et seq., both require school districts to take appropriate action to overcome language barriers that impede equal participation in education. *Heavy Runner v. Bremner*, 522 F. Supp. 162, 164 (D. Mont. 1981).

The starting point as to whether the Idaho State legislature may provide college tuition or reduced fees to Indian students is *Morton v. Mancari*. As discussed, the Supreme Court has explained that the federal government was not acting on behalf of a “racial group consisting of Indians,” but instead the different treatment is “rooted in the unique status of Indians as a separate people with their own political institutions” and in Indian tribes’ status as “quasi-sovereign tribal entities.” *United States v. Antelope*, 430 U.S. 641, 645–46 (1977) (omitting internal quotations). Based on *Mancari*, thirteen state legislatures have taken action to accommodate the college tuition needs of Indian students by granting college tuition waivers. Such laws or policies are considered political rather than racially-based. As a result, they are lawful under rational basis review, and pose no implications with regard to federal civil rights laws.

The common theme among all the states granting college fee waivers or reductions in fees for Indian students is based on a student’s membership in an Indian tribe, a political government. Thus, the accommodation is political not racially-based. Each state has a political relationship with the tribes in their state which serves as a basis for the tuition waiver. Although this state-tribal relationship is not the same as the federal-tribal government-to-government relationship, states and tribes recognize their historical intergovernmental relations. Recent policy trends toward decreases in federal programs and funding has placed constraints on resources available at all levels of government, highlighting the need for and benefits of intergovernmental coordination between tribes and states. Both share a range of common interests for providing comprehensive services in education and law enforcement, protecting the environment and maintaining their economies. Tribes and states have addressed these variety of matters in intergovernmental agreement, including cross-deputization agreements, gaming compacts, water settlements, environmental regulation, and taxation. States and tribes have successfully negotiated, cooperated and collaborated to resolve disputes, build relationships, provide training, and strengthen communications between the governments.

In the area of education, states often have two legitimate interests: (1) to promote cooperative relations between tribes and the state; and (2) to increase the education of tribal people and tribal self-sufficiency. Also, public education institution as recipients of federal funding seek to implement the Indian education goals of the federal government to promote and support education of native students. Providing a college fee waiver to tribal students is tied to this relationship and education efforts and a means to further the federal goals. See *Artichoke Joe's Calif. Grand Casino v. Norton*, 353 F.3d 712 (9th Cir. 2003).

Some states providing scholarships, tuition waivers, or grant programs require that Indian students be residents of the state prior to enrolling in a state college or university and/or be a member of a tribe from that state or tribe has historical ties to state. See California, Iowa, Maine, Massachusetts, Michigan, Oklahoma, Utah, and Washington. While other states offer tuition waiver programs to Native American students from any state. See Colorado, Kansas, Montana, Minnesota, and North Dakota. Some states require a Native student be enrolled in a federally recognized tribe (Maine, Michigan, Oklahoma, Colorado, Montana, Minnesota), and other states only require $\frac{1}{4}$ Native American blood or direct descendent of a tribal member (Colorado, Massachusetts, Kansas, Minnesota).

Michigan provides college tuition waivers for residents of Michigan enrolled in a Michigan tribe. This tuition waiver is considered lawful despite the passage of Michigan's Civil Rights Amendment to the Michigan Constitution (also known as Proposal 2) in 2006. Proposal 2 sought to ban all public affirmative action programs, and provided as follows,

- (1) The University of Michigan, Michigan State University, Wayne State University, and any other public college or university, community college, or school district shall not discriminate against or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation or public employment, public education, or public contracting.
- (2) The state shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

Michigan voters passed Proposal 2 on November 7, 2006. Several lawsuits were filed by the universities and colleges, the NAACP and the ACLU seeking to block the ban on affirmative action, and other groups seeking to implement Proposal 2 immediately. Initially, the federal district court issued an injunction halting the implementation, *BAMN v. Regents of Univ. of Michigan*, 539 F. Supp. 2d 924 (D. Mich, 2006), but the Court of Appeals for the Sixth Circuit overturned the injunction and ordered implementation of Proposal 2. 652 F.3d 607 (6th Cir. 2011). In another related case, Michigan appealed the decision to the United States Supreme Court, and the Court upheld the Proposal 2. *Schuette v. Coalition to Defend Affirmative Action*, 134 S.Ct. 1623 (2014). In a 6-2 decision (Justice Kagan recused herself from the case), the

Supreme Court held that no authority in United States Constitution would allow the judiciary to set aside an amendment to Michigan's Constitution prohibiting affirmative action in public education, employment, and contracting.

Accordingly, in drafting the Michigan Indian Tuition Waiver the state confirms that it is available only to Native Americans who are members of United States Federally Recognized tribes. Michigan explains in an information sheet about its tuition waiver:

In 2006, Michigan voters passed Proposal 2, which is now Article 1, Section 26, of the Michigan Constitution. As a result, it would be unconstitutional to provide this benefit to persons based only upon their race, sex, color, ethnicity, or national origin. The Michigan Indian Tuition Waiver statute remains constitutional only to the extent that it is not based upon a student's race or national origin, but upon the political interrelationship that exists with sovereign tribes. Because Michigan cannot have the necessary political relationship with tribal entities for which the necessary political recognition does not exist, the tuition waiver can only be based on a student's status as a citizen of a tribe whose sovereignty is recognized by the United States, Bureau of Indian Affairs.

Michigan Indian Tuition Waiver Frequently Asked Questions, April 1, 2016. Michigan is highlighted here because it demonstrates the effort and commitment of the state to provide education opportunities to native students and recognizes the sovereign status of tribes.

In conclusion, there is ample authority for the Idaho State Board of Education to provide college tuition fee waivers or reduced fees to enrolled tribal members in administering the statutes or policies under its jurisdiction if doing so is rationally related to the students being members of sovereign Indian tribes. This state interest is closely tied to the state-tribal relations in the state, and furthering the educational goals of the federal government and as set forth in the Fort Bridger Treaty of 1868. This new fee reduction program for tribal members is a positive step forward in recognizing the educational obligations to tribal students. For more information, please contact Yvette Tuell, Policy Analyst, at 208-637-9939 or at ytuell@sbtribes.com.

Respectfully,



Nathan Small, Chairman
Fort Hall Business Council
Shoshone-Bannock Tribes

CC: Yolanda Bisbee, Chair, Idaho Indian Education Committee



Nez Perce

TRIBAL EXECUTIVE COMMITTEE

P.O. BOX 305 • LAPWAI, IDAHO 83540 • (208) 843-2253

August 13, 2018

SENT VIA EMAIL ONLY

Dr. Yolanda Bisbee, Chair
Idaho Indian Education Committee
jjones@sde.idaho.gov

Mr. Matt Freeman, Executive Director
Office of the State Board of Education
patty.sanchez@osbe.idaho.gov

Re: Nez Perce Tribe's Support for American Indian Tuition Fee Program

Dear Dr. Bisbee and Mr. Freeman:

The Nez Perce Tribe ("Tribe") would like to express its full support for the American Indian Tuition Fee Program ("program") that was approved by the Idaho State Board of Education in June 2018. The Tribe believes this policy will not only be beneficial in assisting American Indian students in Idaho to pursue higher education degrees but is also consistent with Idaho statutes and established case law regarding the legal status of similar programs aimed at improving educational access for members of federally-recognized Indian tribes.

Currently, Idaho Code ("I.C.") § 33-3717B(1)(j) defines Indian students, in a tuition context, to be "resident students" whether or not they reside within the state of Idaho. The proposed program makes I.C. § 33-3717B(1)(j) meaningful by simply adding a reduction in "fees" to the existing resident student exemption for Indian students.

Further, this practice or type of program is not unique to Idaho. The states of Washington¹ and Oregon² currently have similar statutes that assess in-state tuition rates to Native American

¹ See Revised Code of Washington § 28B.15.0131 which states that "resident students shall include American Indian students who meet two conditions. First, for a period of one year immediately prior to enrollment at a state institution of higher education..., the student must have been domiciled in one or a combination of the following states: Idaho; Montana; Oregon; or Washington. Second, the students must be members of one of the federally recognized Indian tribes whose traditional and customary tribal boundaries included portions of the state of Washington, or whose tribe was granted reserved lands within the state of Washington. Federal recognition of an Indian tribe shall be determined under 25 C.F.R. by the United States bureau of Indian affairs."

² See Oregon Administrative Rule § 575-039-0010(1)(f) which states that "[s]tudents who are enrolled members of federally recognized tribes of Oregon or who are enrolled members of a federally recognized Native American tribe

Dr. Yolanda Bisbee
 Mr. Matt Freeman
 August 13, 2018
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students who are enrolled members of a tribe that has a connection to the state even if the student lives outside of the state. In addition, many other states offer Native American students tuition fee waivers to enrolled members of resident tribes including the state of Colorado's Fort Lewis College and Colorado State University, as well as some schools in Maine, Minnesota, Michigan, and Montana. In all of these examples, policy decisions were made to encourage and support Native American students' pursuit of higher education through tuition reduction and tuition fee waivers.

Based on your letter dated August 7, 2018, a board member raised a question about the constitutionality of a special tuition fee for a particular group of students. Established case law is very clear that classification as an "Indian" is a political classification, rather than a racial or ethnic classification. Because of this special classification, equal protection challenges to Indian preference policies have been uniformly rejected. In *Morton v. Mancari*, the Court rejected a claim of unconstitutional discrimination against the Bureau of Indian Affairs' practice of giving "Indian preference" in hiring.³ The Court determined that the preference applied to only members of federally recognized tribes as unique political entities and, therefore, "operates to exclude many individuals who are racially to be classified as 'Indians.' In this sense, the preference is political rather than racial in nature."⁴ Also in *Mancari*, the Court referred to the many pieces of legislation dealing with Indian Tribes, stating "[i]f these laws, derived from historical relationships and explicitly designed to help only Indians, were deemed invidious racial discrimination, an entire Title of the United States Code (25 U.S.C.) would be effectively erased and the solemn commitment of the Government toward the Indians would be jeopardized."⁵ Consistent with *Mancari*, programs like the American Indian Tuition Fee Program are considered to be reasonable and directly related to a legitimate and nonracially based goal and are, therefore, legal.

Tribes in Idaho are the original occupiers of this territory. In fact, the land currently occupied by the University of Idaho in Moscow was reserved by treaty to the Nez Perce people in 1855.⁶ Nez Perce artifacts found along the Clearwater River have been carbon dated back 11,000 years. Despite this original occupancy, tribes, including the Nez Perce, have been systematically dispossessed of much of their ancestral lands over the last 250 years. The proposed program is consistent with acknowledging this historical fact.⁷ Even if an equal protection argument could be made against a tuition reduction plan that is not directly related to tribes or tribal self-government, the fact that these universities are located on the aboriginal lands of Idaho tribes supports the proposed reduction in tuition for members of Idaho tribes.⁸

which had traditional and customary tribal boundaries that included parts of the state of Oregon or which had ceded or reserved lands within the state of Oregon shall be deemed eligible for this program, regardless of state of residence, if they meet all other eligibility criteria."

³ 417 U.S. 535 (1974).

⁴ *Id.* at fn 24.

⁵ *Id.* at 552.

⁶ Treaty with the Nez Perces, June 11, 1855, 12 Stat. 957.

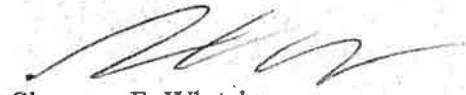
⁷ Many of the schools in Idaho were built on lands originally reserved to tribes by treaty.

⁸ See *United States v. Antelope*, 430 U.S. 641 (1977); *Johnson v. Shalala*, 35 F.3d 402 (9th Cir. 1994).

Dr. Yolanda Bisbee
Mr. Matt Freeman
August 13, 2018
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Again, the Tribe fully supports the American Indian Tuition Fee Program for qualified members of federally recognized tribes in Idaho to attend public universities in the state of Idaho.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon F. Wheeler", written over a horizontal line.

Shannon F. Wheeler
Chairman



Kootenai Tribe of Idaho

P.O. Box 1269
100 Circle Drive
Bonners Ferry, ID 83805
Ph# (208) 267-3519
Fax (208) 267-2960

November 13, 2016

Dr. Yolanda Bisbee, Chairperson
Idaho Indian Education Committee
jjones@sde.idaho.gov

Mr. Matt Freeman, Executive Director
Office of the State Board of Education
patty.sanchez@osbe.idaho.gov

Re: Kootenai Tribe's Support for American Indian Tuition Fee Program

Sent via email only

Dear Dr. Bisbee and Mr. Freeman:

The Kootenai Tribe ("Tribe") supports the American Indian Tuition Fee Program (Program) that was approved by the Idaho State Board of Education in June 2018. The Tribe concurs with the Nez Perce Tribe's legal reasoning outlined in its 13 August 2018 letter.

The Ktunaxa Nation to which we belong has inhabited Ktunaxa Territory, including portions of what is now known as Idaho, since time immemorial. It is right and just that our citizens receive in-state tuition rates and reduced fees in Idaho schools regardless of where they reside.

We look forward to continuing our work together to educate our youth. Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Aitken".

Gary Aitken, Jr., Chairman



COEUR D'ALENE TRIBE
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October 3, 2018

SENT VIA EMAIL

Dr. Yolanda Bisbee, Chair
Idaho Indian Education Committee
jjones@cde.idaho.gov

Mr. Matt Freeman, Executive Director
Office of the State Board of Education
Patty.sanchez@osbe.idaho.gov

Re: Coeur d' Alene Tribe's Support for American Indian Tuition Fee Program

Dear Dr. Bisbee and Mr. Freeman:

On behalf of the Coeur d'Alene Tribe ("Tribe"), I would like to express the Tribe's unequivocal support of for the American Indian Tuition Fee Program ("the Program") that has been approved by the Idaho State Board of Education in June 2018. The Coeur d'Alene Tribe has always recognized that education is the key to success, and continues to support education in Idaho by contributing 5% of our net gaming revenues to education throughout Idaho each year. The Tribe believes this program is on point with the commitments the Coeur d'Alene Tribe has made to Idaho education.

As I am sure you are aware, the practice of American Indian Tuition reduction is not an uncommon practice. Our neighboring states of Idaho and Oregon both have codified laws that apply in-state tuition rates of Native American students who are enrolled members of tribes that have an aboriginal connection to the state, even if the student does not live within the states borders. These two states have made conscious policy decisions to promote higher education through tuition reduction for Native American students.

Upon reading your letter dated August 7, 2018, a member of the education board raised a question about whether or not this program was constitution. The Supreme Court of the United States has made it clear that the "Indian" classification is a political one, rather than a racial one, and thus, is not a constitutional violation. *See Morton v. Mancari*.

Furthermore, Idaho Tribes are the aboriginal occupiers of this territory. Specifically, the Coeur d'Alene Tribe previously occupied land in Coeur d'Alene where the College of North Idaho, Lewis and Clark State College and the University of Idaho have their campuses. The fact that these University campuses are located on aboriginal Coeur d'Alene territory directly supports the proposed reduction in tuition for Coeur d'Alene Tribal members attending these institutions.

In conclusion, the Tribe wholly supports the American Indian Tuition Fee Program for qualified members of federally recognized tribes in Idaho to attend public universities in the State of Idaho.

Respectfully,

A handwritten signature in cursive script, reading "Ernest L. Stensgar".

Ernest L. Stensgar
Chairman,
Coeur d'Alene Tribe

To: Kent E. Nelson, General Counsel, University of Idaho
 From: Dylan R. Hedden-Nicely
 Date: November 13, 2018
 Re: American Indian Tuition Fee Program

The purpose of this memorandum is to provide analysis regarding the legality of the American Indian Tuition Fee (“AITF”) Program proposed to the Idaho State Board of Education and the Board of Regents of the University of Idaho (hereinafter “Board”). Specifically, this memo will address the following issues:

1. Whether the Board has the authority under Idaho state law to promulgate specific tuition rates for a specified class of people; and
2. Whether the reduced tuition proposed under the AITF Program would be consistent with the United States and Idaho Constitutions.

Based upon my analysis of applicable federal and state law, I conclude that (1) the Board is the sole entity with the legal authority to set tuition at Idaho’s Universities; and (2) the proposed AITF Program is consistent with the United States Constitution, the Idaho Constitution, and Idaho law and policy.

I. The Board is Vested with the Exclusive Authority to Set Tuition and Fees for Idaho’s Universities and other Educational Institutions.

Pursuant to the Idaho Constitution, the Board is vested with “[t]he general supervision of the state educational institutions . . . [the] powers duties of which shall be prescribed by law.” IDAHO CONST. ART. IX, s. 2.¹ Likewise, Idaho Code provides that the Board “shall have the power to: (1) Perform all duties prescribed for it by the school laws of the state; . . . [and] (3) Have general supervision, through its executive departments and offices, of all entities of public education supported in whole or in part by state fund” I.C. § 33-107. Specifically regarding tuition and fees, the Legislature has provided that

[t]he state board of education and the board of regents of the university of Idaho may prescribe fees, including tuition fees, for resident and nonresident students enrolled in all state colleges and universities. I.C. § 33-3717A.

¹ Likewise, the University of Idaho Board of Regents “have the general supervision of the [U]niversity [of Idaho] . . . [and] may impose rates of tuition and fees on all students enrolled in the university as authorized by law.” IDAHO CONST. ART. IX, s. 10. However, the Idaho Legislature has combined the University of Idaho Board of Regents with the State Board: “[t]he general supervision, government and control of the University of Idaho is Vested in the state board of education which also constitutes the board of regents of the university” I.C. § 33-2802.

Importantly, the Idaho Legislature has enacted no laws interfering with the Board's authority to set tuition rates at Idaho Universities. *See generally* I.C., Title 33, *et. sec.* Indeed, despite there being dozens of different tuition rates and fees for different people (e.g. residents versus nonresidents, etc.) and degree types (e.g. undergrad, graduate, professional, etc.), the Legislature has *no laws in the Idaho Code* that would either prescribe or proscribe any particular tuition rate or fee at Idaho's universities. *See, id.* In contrast, the Legislature has enacted several laws regarding tuition for the State's junior colleges. I.C. §§ 33-2110; 33-2110a; 33-2141. The Legislature's simultaneous silence regarding university tuition and heavy involvement regarding junior college tuition indicates its deference to the Board regarding matters related to tuition and fees. Accordingly, it would be highly irregular for the Idaho Legislature to get involved with the setting of special tuition fee rates for a particular group of people.

In conclusion, I find no legislative barrier to the Board's authority to promulgate a special tuition rate for members of the Five Tribes. Just the opposite, the Legislature has long deferred to the Board's and universities' judgment regarding tuition decisions. Accordingly, the only remaining issue is whether a special tuition rate for Idaho tribal members is consistent with the United States and Idaho Constitutions.

II. The AITF Program is Consistent with the United State and Idaho Constitutions

The Equal Protection Clause of the 14th Amendment to the United States Constitution states that

[n]o state shall . . . shall . . . deny to any person within its jurisdiction the equal protection of the laws.

U.S. CONST. Art. XIV, s. 1. For its part, the Idaho Constitution guarantees that

[a]ll men are by nature free and equal, and have certain inalienable rights, among which are enjoying and defending life and liberty; acquiring, possessing and protecting property; pursuing happiness and securing safety.

IDAHO CONST. Art I, s. 1. Although the Idaho Constitution "stands on its own . . . [t]he majority of Idaho cases . . . state that the equal protection guarantees of the federal and Idaho Constitutions are substantially equivalent." *Rudeen v. Cenarrusa*, 136 Idaho 560, 607 (2001). The Idaho Supreme Court has articulated a three-step test for determining whether a law or policy violates the Equal Protection Clause:

[t]he first step is to identify the classification that is being challenged. The second step is to determine the standard under which the classification will be judicially reviewed. The final step is to determine whether the appropriate standard has been satisfied.

Id. At issue here is the lower tuition rate for a particular class of people: members of the Five Tribes. That classification could potentially be reviewed under one of two judicial standards. If the preference implicates "a suspect class [race, religion, national origin, etc.] or a fundamental

right . . . the statute is given strict scrutiny.” *Id.* The United States Supreme Court has “repeatedly held that strict scrutiny applies to *all* racial classifications, regardless of whether the government has benevolent motives.” *Fisher v. University of Texas at Austin*, 570 U.S. 297, 330 (2013) (emphasis in original). Such racial classifications “are constitutional only if they are narrowly tailored to further compelling government interests.” *Id.* at 310 (quoting *Grutter v. Bollinger*, 539 U.S. 306, 326 (2003)).

However, all classifications other than those that receive strict or intermediate scrutiny² receive rational basis scrutiny. “Under either the Fourteenth Amendment or the Idaho Constitution, a classification will survive rational basis analysis if the classification is rationally related to a legitimate governmental purpose.” *Meisner v. Potlatch Corp.*, 131 Idaho 258, 262 (1998). Importantly, “[u]nder the ‘rational basis test,’ a classification will withstand an equal protection challenge if there is any conceivable state of facts which will support it.” *Id.* (quoting *Bint v. Creative Forest Prod.*, 108 Idaho 116, 120 (1985)).

Accordingly, the AITF Program stands or falls depending upon whether it is a race-based preference—which receives strict scrutiny—or whether it would receive rational basis scrutiny, which requires simply some “conceivable state of facts which will support it.” *Meisner*, 131 Idaho at 262.

A. Laws and Policies Favoring Members of Federally Recognized Tribes are Based Upon a Political Rather than Racial Classification and Receive Rational Basis Scrutiny

The path-making case regarding government preferences for American Indians that are members of federally recognized tribes is *Morton v. Mancari*. 417 U.S. 535 (1974). At issue in that case was a preference within the Bureau of Indian Affairs (“BIA”) for the promotion of members of federally recognized tribes to leadership positions within the BIA. A number of non-Indian BIA employees sued the BIA asserting—among other issues—the preference amounted to “invidious racial discrimination in violation of the Due Process Clause of the Fifth Amendment.” *Id.* at 551. The Court rejected this argument, finding that the preference “does not constitute ‘racial discrimination.’ Indeed, it is not even a ‘racial’ preference. . . . The preference, as applied, is granted to Indians not as a discrete racial group, but, rather, as *members of quasi-sovereign tribal entities*.” *Id.* at 553 (emphasis added).

The Court noted the omnipresent nature of “legislation that singles out Indians for particular and special treatment,” noting that “[l]iterally every piece of legislation dealing with Indian tribes and reservations . . . single out for special treatment of a constituency of tribal Indians living on or near reservations If these laws . . . were deemed invidious racial discrimination, an entire Title of the United States Code (25 U.S.C.) would be effectively erased and the solemn commitment of the Government toward the Indians would be jeopardized.” *Id.* at 555; 553.³ Instead the Court found that it had consistently upheld such legislation. *Id.* at 555 (citing *Board of County Comm’rs v. Seber*, 318 U.S. 705 (1943); *McClanahan v. Arizona State*

² Intermediate scrutiny is applied only to classifications involving gender or illegitimacy. *Meisner v. Potlatch Corp.*, 131 Idaho 258, 261 (1998).

³ Similarly, entire title of the Code of Federal Regulations, Title 25, would likewise be effectively erased.

Tax Comm'n, 411 U.S. 164 (1973) (**Federally granted tax immunity**); *Simmons v. Eagle Seelatsee*, 384 U.S. 209 (1966) (**Statutory definition of tribal membership, with resulting interest in trust estates**); *Williams v. Lee*, 358 U.S. 217 (1959) (**Tribal courts and their jurisdiction over reservation affairs**); *Morton v. Ruiz* 415 U.S. 199 (1974) (**Federal welfare benefits for Indians on or near reservations**). *See also*, *United States v. Antelope*, 430 U.S. 641 (1977) (**Federal criminal laws based upon the defendant's status as an Indian**).

Ultimately, the court concluded that the preference was “not directed towards a ‘racial’ group consisting of ‘Indians’; instead, it applies only to members of ‘federally recognized’ tribes. . . . In this sense, the preference is **political** rather than racial in nature.” *Mancari*, 417 U.S. at 553, n. 24 (emphasis added). As a result, the Court found that

[a]s long as the special treatment can be tied *rationally* to the fulfillment of Congress’ unique obligation toward the Indians, such legislative judgments will not be disturbed. *Id.* at 555.

The United States Supreme Court has likewise applied the rule from *Mancari* to *state law and policy* (as opposed to federal law) that differentiates between tribal members and non-Indians. *Washington v. Washington State Commercial Passenger Vessel Ass’n*, 443 U.S. 658, 673 (1979). At issue there was a challenge to Washington State Game Department regulations that “provided fishing rights to Indians that were not also available to non-Indians.” *Id.* at n. 20. The Court summarily dismissed the non-Indian fishers’ claim, finding not only that “this Court has already held that these treaties confer enforceable special benefits,” but also that it had “repeatedly held that the peculiar semisovereign and constitutionally recognized status of Indians justifies special treatment on their behalf *when rationally related* to the Government’s ‘unique obligation toward the Indians.’” *Id.* (emphasis added) (citing *Mancari*, 417 U.S. at 555, *Antelope*, 430 U.S. at 641, *Antoine v. Washington*, 420 U.S. 194 (1975)).

The Idaho Supreme Court has had only one occasion to consider the applicability of *Mancari* and, in so doing, was considering the Constitutional validity of a *federal* rather than state law. *Sheppard v. Sheppard*, 104 Idaho 1, 11 (1982). Among other things, at issue in *Sheppard* was the validity of a lower court’s distribution of community property in a divorce between George Sheppard, a non-Indian, and Roma Sheppard, a member of the Shoshone-Bannock Tribes. *Id.* at 4.⁴ There, George Sheppard was challenging the validity of 25 U.S.C. § 194, which places the burden of proof on a non-Indian in cases where property is in dispute between an Indian and a non-Indian. *Id.* The Court side-stepped the issue, finding that Mr. Sheppard had carried the burden of proof that would be required under 25 U.S.C. § 194 and therefore “[a]lthough George Sheppard asserts the unconstitutionality of 25 U.S.C. § 194, in view of our holding we need not address that contention.” *Id.* at 11. However, the court then

⁴ The Idaho Supreme Court recently overruled the primary thrust of its holding in *Sheppard*, finding that tribal court judgments are entitled to recognition and enforcement under principles of comity rather than full faith and credit, as it had ruled previously. *Coeur d’Alene Tribe v. Johnson*, 162 Idaho 754, 758 (2017). However, the Court made express that “[w]e do not overrule *Sheppard* in its entirety.” *Id.* Accordingly, that decision remains good law regarding its treatment of *Mancari*.

cited to *Antelope*, *Mancari*, and *McClanahan*, all three of which upheld other federal laws proffering different treatment to members of federally recognized tribes. *Id.*⁵

Writing separately, Justice Blistine made his view of the Constitutionality of 25 U.S.C. § 194 express, finding that “Indians are not just a group of people who live in this country who happen to be of another race. They are a separate and distinct *nation*.” *Id.* at n. 7 (Blistine, J., concurring in part and dissenting in part) (emphasis in original). As a result, Justice Blistine argued that “[o]ne may not blindly apply the same rules of analysis in construing enactments for the benefit of Indians as one does statutes of general applicability.” *Id.* He went on to then directly quote from *Mancari*:

[a]s long as the special treatment can be tied *rationally* to the fulfillment of Congress’ unique obligation toward the Indians, such legislative judgments will not be disturbed. *Id.* (quoting *Mancari*, 417 U.S. at 555).

Admittedly, *Sheppard* is not dispositive to the questions presented in this case. Indeed, although the majority of the Idaho Supreme Court cited to *Mancari* approvingly, it did not expressly hold that state law and policy would be given similar treatment under the United States Constitution and did not address the Idaho Constitution at all. However, as outlined above, the United States Supreme Court has already found that state laws and regulations setting apart tribal members does not violate equal protection. *Passenger Vessel*, 443 U.S. at 673, n. 20. Further, the Idaho Supreme Court—in a case that predates *Mancari*—has already found that such state laws do not violate the Equal Protection Clause of the United States Constitution nor Article I, s. 1 of the Idaho Constitution. *State v. Rorvick*, 76 Idaho 58 (1954) (state statute prohibiting the sale of intoxicants to Indians does not violate equal protection clauses of the United States or Idaho Constitutions).

Further, many of Idaho’s sister state supreme courts have applied rational basis scrutiny to state laws giving preference to tribal members. See e.g., *State v. Shook*, 67 P.3d 863 (Montana 2002) (**Fish, Wildlife, and Parks regulation that prohibits non-Indians from hunting big game on Indian reservations**); *Krueth v. Independent School Dist. No. 38, Red Lake, Minn.*, 496 N.W.2d 829, 836 (Minn. Ct. App. 1993) (**state law hiring preference and retention policy for American Indian teachers**); *Flynt v. California Gambling Control Com’n*, 129 Cal.Rptr.2d 167 (Cal. Ct. App. 2002) (**state gaming compacts entered into by gaming commission pursuant to state referendum**).

An even greater number of state supreme courts have upheld federal laws in the face of equal protection challenges. See e.g., *Application of Angus*, 655 P.2d 208, 212 (Or. Ct. App. 1982) (**Indian Child Welfare Act**); *State v. Mooney*, 93 P.3d 420, 428 (Utah 2004) (**42 U.S.C. § 1996a. Traditional Indian Religious Use of Peyote**); *Matter of Miller*, 451 N.W.2d 576, 579 (Mich. Ct. App. 1990) (**Indian Child Welfare Act**). Moreover, many United States Circuit Court of Appeals that have considered whether federal laws specifically for tribal members

⁵ The Idaho Supreme Court used the signal “Cf.,” which is defined by the Bluebook to mean “[c]ited authority [that] supports a proposition different from the main proposition but sufficiently analogous to lend support.” The Bluebook: A Uniform System of Citation 47, R. 1.2 (18th Ed. 2006).

violate the Constitution has reaffirmed the principles of *Mancari*, See, e.g., *United States v. Wilgus*, 638 F.3d 1274, 1286-87 (10th Cir. 2011) (**Bald and Golden Eagle Protection Act and Migratory Bird Treaty Act**); *Means v. Navajo Nation*, 432 F.3d 924, 932-35 (9th Cir. 2005), *cert. denied*, 549 U.S. 952 (2006) (**Tribal court criminal jurisdiction over members of other federally recognized tribes**); *Am. Fed'n of Gov't Employees, AFL-CIO v. United States*, 330 F.3d 513, 520-23 (D.C. Cir. 2003) (**Defense Appropriations Act**); *Peyote Way Church of God, Inc. v. Thornburgh*, 922 F.2d 1210, 1214-16 (5th Cir. 1991) (**Federal and state laws prohibiting the use of peyote for non-Indians while exempting certain tribal members does not violate equal protection**); *Bordeaux v. Hunt*, 621 F. Supp. 637, 653 (D.S.D. 1985), *aff'd sub nom.*, 809 F.2d 1317 (8th Cir. 1987) (**Burke Act**); *United States v. State of Mich.*, 471 F. Supp. 192, 271 (W.D. Mich. 1979) *aff'd in part*, 653 F.2d 277 (6th Cir.), *cert. denied*, 454 U.S. 1124 (1981)) (**Treaty fishing rights**). **But see**, *KG Urban Enterprises, LLC v. Patrick*, 693 F.3d 1, 17-20 (1st Cir. 2012) (**finding it "doubtful that *Mancari*'s language can be extended . . . to preferential state classifications**).

In summary, although the Idaho Supreme Court has not squarely expressed the level of scrutiny it would apply to a state statute, regulation, or policy providing a preference for members of the Five Tribes, it has indicated it would apply rational basis scrutiny. Further, the near universal conclusion of the United States Supreme Court, federal appellate courts, and supreme courts of other states is that such laws are to receive rational basis scrutiny. Accordingly, it is my opinion that the Idaho Supreme Court would likely find that such laws pass constitutional muster so long as they are rationally related to a legitimate governmental purpose.

B. The AITF Program is Rationally Related to a Legitimate Governmental Purpose

Having concluded that a court would likely apply rational basis scrutiny to the AITF Program, the final question is to determine whether that Program is rationally related to a legitimate governmental interest. This is really two steps: (1) identifying the legitimate governmental interests that the AITF Program would serve; and (2) determining whether the AITF Program is rationally related to those legitimate governmental interests. The Idaho Supreme Court has recognized that "a classification will withstand an equal protection challenge if there is *any* conceivable state of facts which will support it." *Bint*, 108 Idaho at 120. Perhaps unsurprisingly then, the Ninth Circuit has recognized that the Supreme Court "has never overturned a statute or treaty affecting Indians or natives since *Mancari*." *Williams v. Babbitt*, 115 F.3d 657, 663 (9th Cir. 1997).

There are at least two legitimate governmental interests in this case. The first is to promote cooperative relations between the Five Tribes and the State of Idaho. The Second is to increase the education and self-sufficiency of tribal people.

Although not the same as the federal-tribal relationship, the State of Idaho and the Five Tribes enjoy an important and symbiotic relationship. Indeed, the State of Idaho and the Five Tribes work together on many overlapping sovereign interests including but not limited to criminal jurisdiction, civil and regulatory jurisdiction, economic development, education, health and welfare, social services, child welfare, land use, taxation, fish and wildlife conservation, natural resource development and conservation, as well as other public powers necessary for the

comfort and protection of tribal members that are also Idaho state citizens. *See e.g.*, I.C. § 67-4007(1). In furtherance of this important state interest, the Idaho Legislature has passed the State-Tribal Relations Act, which authorizes the State and its agencies to enter into agreements with Idaho tribes for “joint concurrent exercise of powers . . .” I.C. § 67-4002. Importantly, I.C. § 67-4002 is designed to mirror I.C. § 67-2328, which authorizes the State’s agencies to enter into agreements “jointly with the United States, any other state, or public agency of any of them . . .” *Id.* This congruity demonstrates the Legislature’s view that the Five Tribes are sovereign political entities (rather than a group of people of similar race) on similar footing as the United States and other states.

However, unlike for other states and the United States, the Legislature went one-step further in the State-Tribal Relations Act and provided for the creation of a Council of Indian Affairs, comprised of state and tribal officials. That council is has a number of powers and duties, including:

- (1) To monitor and review legislation and state policies which impact state/tribal relations in the areas of jurisdiction, governmental sovereignty, taxation, natural resources, economic development, and other issues where state government and tribal government interface;
- (2) To advise the governor, legislature, and state departments and agencies of the nature, magnitude, and priorities of issues regarding state/tribal relations;
- (3) To advise the governor, legislature, and state departments and agencies on, and assist in the development and implementation of, cooperative policies, programs, and procedures focusing on the unique relationship between tribal and state government . . .

I.C. § 67-4007. The State-Tribal Relations Act demonstrates the Idaho Legislatures commitment to the important government interest in maintaining good relations with the Five Tribes.

Equally important is the State’s governmental interest in helping to close the education gap between members of Five Tribes and the rest of its citizens. A comprehensive recitation of the history that has led to this gap is beyond the scope of this memo. *See generally*, Willard E. Bill, *From Boarding Schools to Self-Determination* (prepared for Randy Dorn, Idaho State Superintendent of Public Instruction).⁶ Regardless, the gap is real. According to the McClure Center for Public Policy Research, just 10% of Idaho’s American Indian students meet the college and career readiness benchmark on the SAT, compared with 26% statewide. University of Idaho McClure Center for Public Policy Research, *Idaho at a Glance: American Indian Education* (June 2016) (hereinafter “McClure, *American Indian Education*”).⁷ A similar disparity exists for the ACT. More alarming, just 1,000 Native American students were enrolled in a post-secondary institution in Idaho in 2014. *Id.* That amounts to **less than one percent** of

⁶ available at: <http://www.sde.idaho.gov/indian-ed/files/curriculum/From-Boarding-Schools-to-Self-Determination.pdf>

⁷ available at: <https://www.sde.idaho.gov/indian-ed/files/general/Idaho-at-a-Glance-American-Indian-Education.pdf>.

the total student population. *Id.* Further, their overall numbers have been *declining* since 2008. *Id.* The lack of tribal members with college degrees has real consequences for tribal economic development on Indian reservations within Idaho.

In recognition of the important interests at stake for the State of Idaho, and in an effort to close this gap, the Board has created an Indian Education Committee, the purpose of which is to “advocate for American Indian students, act as an advisory body to the State Board of Education and the State Superintendent of Public Instruction, and serve as a link between the five Idaho tribes.” <https://boardofed.idaho.gov/board-facts/board-committees/indian-education-committee/>.⁸ The Committee’s mission is to “create the conditions for and support of the efforts of raising the bar and eliminating the academic achievement gap.” In furtherance of this mission, the Committee has worked with the Board to develop a strategic plan, an objective of which is to “increase the number of American Indian students enrolled in postsecondary institutions” Idaho State Board of Education, *Idaho Indian Education Strategic Plan 2016-2021* at 2 (2016).⁹ Although other barriers exist, the primary barrier that keeps Native students from attending university is their lack of ability to pay for it. McClure, *American Indian Education*. As a result, the Board has articulated the goal that it “[e]nsure American Indian students are afforded educational opportunities on an equitable basis [and] provide resources that promote and support an increase in the educational attainment among American Indian students.” *Idaho Indian Education Strategic Plan* at 1.

There is no question that the AITF Program is rationally related to both the legitimate government interest in fostering better relations with the Idaho tribes as well as the legitimate government interest in providing educational opportunities for members of the Five Tribes. It seems natural to conclude that providing reduced tuition would—consistent with the Idaho Tribal-State Relations Act—provide for significant goodwill between the State and Five Tribes. However, on a deeper level, the resulting education of tribal member would provide expertise for the Five Tribes that would greatly benefit both the Tribes and the State as they continue to work together on important sovereign issues of mutual interest. Further, the AITF Program would be the single largest step the State Board could take towards achieving its goal of “provid[ing] resources that promote and support an increase in the educational attainment among American Indian students.” Considering that “a classification will withstand an equal protection challenge if there is *any* conceivable state of facts which will support it,” *Bint*, 108 Idaho at 120, there is no question in my mind that the AITF Program would survive an equal protection challenge because it is rationally related to several important governmental interests. *Id.*

⁸ The Idaho State Department of Education has likewise developed The Indian Education Department. See, <http://www.sde.idaho.gov/indian-ed/>. The purpose of that Department is to “work[] with Idaho’s tribes and educational stakeholders to give every American Indian student the opportunity to learn and achieve academic success.” In furtherance of this purpose one of the Department’s goals is to “Assist in removing educational barriers for the American Indian population.”

⁹ Available at: <https://boardofed.idaho.gov/board-facts/board-planning/indian-education-strategic-plan/>.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018**

SUBJECT

Program Prioritization Update

REFERENCE

May 2013	The Idaho State Board of Education (Board) directed institutions to institute a prioritization of programs process consistent with Dickeson's prioritization principles, and further directed the institutions to use a quintile prioritization approach and communicate to the Board the criteria and weighting to be used after consultation with their respective campuses.
June 2013	The Board approved the program prioritization proposals for Idaho State University, Boise State University, and University of Idaho as presented.
August 2013	The Board approved the program prioritization proposal for Lewis-Clark State College as presented.
October 2013	The Board was presented with an update on program prioritization.
August 2014	The Board was presented with the final results of program prioritization.
June 2015	The Board was presented with an update on the implementation of program prioritization.
August 2016	The Board was presented with an update on the implementation of program prioritization.

APPLICABLE STATUTE, RULE, OR POLICY

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

ALIGNMENT WITH STRATEGIC PLAN

Goal 1; Objective A: Data Access and Transparency
Goal 1; Objective B: Alignment and Coordination
Goal 2; Objective B: Timely Degree Completion

BACKGROUND/DISCUSSION

At the Board's August 2018 meeting, the Financial Vice Presidents and Provosts held a joint meeting where program prioritization was discussed. The Board's Chief Academic Officer and Chief Financial Officer instructed the institutions that Board Policy V.B. requires an annual report on program prioritization. This report was requested and the institutions were asked to provide an update on what efforts they have undertaken for program prioritization during fiscal year 2018 and plans for future efforts during fiscal year

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2019. The four-year institutions provided these reports and are included as attachments for this agenda item.

Program prioritization requires the institutions to conduct an evaluation of programs and services with specific and tangible objectives (goals), and with a focus on specific evaluation criteria rather than generalized across-the-board cuts. Implementation of program prioritization based on Dickeson's framework provides the Board with assurances of consistency and presents the institutions with a unique opportunity to evaluate old paradigms that may no longer make sense, with a specific focus on their Mission, Core Themes and Strategic Plans. The process provides a method to objectively review program efficiency and effectiveness. Based on the outcome of the program prioritization process "decisions can be made that, at the minimum, inform future budget decisions, and can also lead to enrichment of some programs that are under-resourced while at the same time reducing or even eliminating still others."

IMPACT

Program prioritization was implemented by the Board in 2013. Annual updates to the Board provides an assurance that the principles are being practiced and the process does not fall by the wayside.

ATTACHMENTS

Attachment 1 – Idaho State University Program Prioritization update
Attachment 2 – Boise State University Program Prioritization update
Attachment 3 – University of Idaho Program Prioritization update
Attachment 4 – Lewis-Clark State College Program Prioritization update

STAFF COMMENTS AND RECOMMENDATIONS

These reports are an opportunity for the Board and the institutions to glimpse into the institutionalization of program prioritization at the four-year campuses, and to see how the institutions are assimilating the principles of program prioritization into the planning, programming, budgeting, and performance tracking processes.

Program prioritization is poised to play a more integral role with the budget request for outcomes-based funding (OBF). OBF will distribute funds to the institutions related to how many degrees and certificates are produced. It is anticipated that institutions will continue to focus their efforts in programs where student interest is high and results can be achieved or improved.

BOARD ACTION

This item is for informational purposes only.

Idaho State

UNIVERSITY

Idaho State University (ISU) transitioned its Program Prioritization Process into a Program Assessment/Program Health Process in 2014 with the goal of supporting growth and ensuring programs demonstrate need for new, increased, or reallocated resources. Since ISU's last update to the State Board of Education (SBOE) in 2016, ISU reorganized the College of Technology and the Division of Health Sciences; renamed/restructured seven programs; discontinued three minors/emphases/majors; and added four new certificate and two new PhD programs. Currently, pending SBOE approval, ISU has proposed the discontinuance of four bachelor's degrees and one PhD program; and the addition of two bachelor's, three master's, and two certificate programs.

Academic Affairs has used that model to evaluate full degree programs and certificates based on a five-year average number of graduates as follows:

Programs are flagged and must prepare an appropriate plan to address low enrollment if they have a five year average number of graduates

- ≤ 5 at the associate and certificate level
- ≤ 10 at the undergraduate level
- ≤ 5 at the master's level
- ≤ 3 at the doctoral level

Outcomes of this model focused primarily on degree production and analysis of needs, as well as projecting future hiring (Three-Year Hiring Plan) and program (Three-Year Program Plan) planning. In Spring 2018, Academic Affairs received reports from each of the colleges and requested updates on any programs that fell within the 5th quintile from the 2012-13 Program Prioritization Process, and which are still being flagged as not producing the number of degrees. However, it became clear that ISU's budget model was one of the challenges in addressing program growth. With the arrival of a new president and knowing that changes were on the horizon, in Summer 2018 Academic Affairs determined that ISU needed a more comprehensive Program Health and Sustainability model that had broad campus support and was built in collaboration with Faculty Senate. A committee of representatives from each college, the Faculty Senate Co-chairs and staff from Academic Affairs, Institutional Research, and the Budget office was formed. They have been meeting monthly with the following charge:

A Program Health & Sustainability assessment model should be aligned with the institutional mission, while evaluating student demand and providing indicators of quality. It should include measures for efficiency and effectiveness and ensure sufficient resources. Finally, it should be flexible and change as necessary over time.

The goal is to have a revised comprehensive self-assessment model ready to use by Spring of 2019 that supports the health and sustainability of all programs at ISU.

Boise State University Update on Program Prioritization; November 2018

The intended outcome of “Program Prioritization” is the judicious use of resources via increased impact per resource and alignment of resources with priorities. Program discontinuation is often viewed as the primary means of achieving that outcome. However, if program discontinuation is to have a significant impact on judicious use of resources, it cannot be a simple cosmetic change such as consolidating two programs or discontinuing one program but keeping a similar program with the same faculty. Instead, needs to involve the termination of faculty lines and/or the reassignment of faculty lines from one program to a different program. Boise State has gone down this path once in the last decade with the discontinuation of the Master of Community and Regional Planning. Such actions have substantial impact on the departments and personnel involved as well as on the morale of faculty campus-wide, and therefore must be done with the utmost caution.

Importantly, substantial changes in impact per resource and alignment of resources with priorities can be achieved by means other than program discontinuation, and Boise State has pursued two primary ways of doing so: (i) improvement of existing programs so as to make them more efficient and impactful and (ii) development of a budget model that facilitates the measured redistribution of resources among programs. Key to both are lessons learned during the Program Prioritization process of 2013-14: decision-making should be decentralized as feasible to those responsible for the programs under consideration, and metrics should be used extensively inform decisions but not to drive them.

Programs needing improvement were identified during program prioritization using a variety of metrics focused on relevance, quality, productivity and efficiency. Many of the same metrics are now incorporated into the annual Department Analytics Report and continue to be used to identify programs needing improvement.

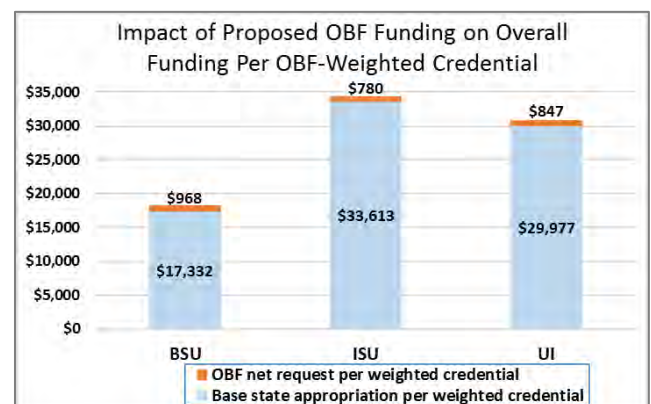
Programs directed to improve are given the freedom to decide on their own how to improve. Examples are:

- Early and Special Education completely revamped its graduate offerings to create an accelerated master’s degree program to recruit top undergraduates and to create new graduate certificate programs to address employment needs and transition full-time teachers towards master’s degrees.
- Communication redefined program-level graduate learning outcomes, created a recruiting plan, and created non-thesis programs that use capstone projects and comprehensive examinations.

To facilitate the measured redistribution of resources among programs, Boise State is implementing a new budget model, BroncoBudget 2.0 (BB2.0). Under the new budget model, colleges receive an allocation of tuition revenue that is based on student credit hours instructed (in alignment with instructional costs), on the number of majors the college is serving (in alignment with resources needed for advising of students), and on the number of graduates from the college’s programs (thereby rewarding colleges for facilitating student progress). Colleges also receive subvention funding to account for differences in cost of instruction. The Provost’s Office ensures that colleges maintain quality and that programs remain aligned with university priorities. Notably, the proposed Outcomes Based Funding model includes the “reward” aspect of BB2.0, but does not account for the cost of providing instruction.

BB2.0 requires that colleges use of a variety of metrics to evaluate the productivity and efficiency of their programs so as to be able make well-informed decisions as to which are under-resourced and should receive more and which are over-resourced, and should either be required to improve or to receive less resources, perhaps by losing a faculty line. The basis for such decisions are made transparent to the departments and faculty members in the departments.

Evidence that Boise State has, as a university, paid close attention to judicious use of resources and must continue to do so in the future can be seen in the figure, which shows that BSU receives less per graduate than the other universities.



Program Prioritization – Activities since Initial Efforts in 2014-15

During its August 2015 meeting, the State Board of Education (SBOE) made clear to the new leadership at the University of Idaho that significant improvements to the program prioritization (PP) were expected in the coming year. The effort of the prior PP process, called Focus For the Future or FFF at the University of Idaho, resulted in the reallocation of over \$460,000 of resources. However, the protocol and prioritization were not in conformance with the Board's expectations. We started afresh in Fall 2015 to develop not only a new strategic plan but also a new program prioritization approach that would be congruent with the Board policy on PP (SBOE Policy V.B.11) as well as accreditation processes outlined by NWCCU.

We presented our modified PP approach to the SBOE in August 2016. There is now a larger integration of PP into our university planning processes and we use it to reallocate resources from low priority activities and programs to high priority and emerging programs. We have simultaneously built processes (University Budget and Finance Committee as well as New Academic Initiatives Proposal Process) for assessing and ranking high priority emergent needs (i.e. new ideas). In August 2016, we did not yet have transparent and robust means of providing a categorized priority ranking of academic and non-academic programs indicated we would finalize those tools in the next year. Such an evaluative process was developed by working groups of faculty and staff, with broad campus input, over the course of the academic year 2016-17. The process relied on survey instruments as well as data from our finance and student information system. The process evaluated EVERY department (academic and non-academic) on campus that receives any general education funds. All units ranging from Janitorial Services to the President's Administrative Staff to IT and the Physics Department were evaluated.

Our current process is well aligned with Board policy because it utilizes the strategic plan (and thus our core themes from NWCCU accreditation) and mission to drive the assessments and deploys the evaluation to produce reallocated resources on a periodic basis. During two successive visits from NWCCU, we received strong endorsement and admiration for the process and implementation of the process. In the fall 2017, we utilized this process to generate \$4 million of recurring resources that were reinvested into two high priority requests coming from our shared governance budget request process; namely, investment in teaching assistantships and faculty / staff salary.

The process in 2016-17 was highly collaborative with participation from both faculty and staff. However, when the results were shared in open forums in fall 2017, it became clear that many on campus did not participate in the process, despite clear opportunities to do so. In general, the lower half of those evaluated, especially those in academic departments, found the process unsound and unfair. This outcome is to be anticipated no matter how well we measure and evaluate programs. However, there is broad consensus that the current process was completely transparent; allowed for collaborative efforts between faculty, staff and administration; and positioned us to fund two very important initiatives. Once we showed the net flow of resources to each VP area, people began to understand that funds were not staying in "central" administration but instead were moving to high priority needs. We all agreed that we need to continue to improve our methodology in a collaborative manner.

This most recent program prioritization process has been a breakthrough for the University of Idaho. The community has now seen a development and follow through that was not evident in our prior two attempts at Program Prioritization, which both were successful in reallocation but not in building trust, understanding, or a sense of shared purpose. Individuals who did not participate in 2016-17 now realize they should have taken advantage of the opportunity and, more importantly, that we will continue to seek their involvement. The lack of participation in 2016-17 was likely in part due to fatigue with all the various processes that occurred from 2008 through 2014. The University of Idaho conducted program prioritization in 2008-9 that stretched across a presidential transition and was a prolonged process. This was followed by FFF which was implemented during interim leadership. Those two PP implementations resulted in 78 program closures, 44 program changes/restructuring and created 36 new programs. The University of Idaho community has now come to a clear understanding of the permanency and ongoing nature of Program Prioritization as a part of our larger strategic planning framework. More importantly,

our community understands their role in framing the process and how it will help us become a better institution, achieving even higher levels of excellence.

At this point, we are in the midst of doing another reallocation (at least \$5 million of base funding) based on the current program prioritization evaluation scoring. In addition, we are working with faculty and staff on improving measurement tools. We are keenly interested in additional alignment of our annual program review dashboards with the program prioritization process so that we have a more automated and agile evaluation tool. We have rebuilt our financial model over the past three years into a “water cycle” approach to resource management relying heavily on resource reallocation and, thus, the program prioritization process. The leadership of the University of Idaho appreciates the foresight of the SBOE in bringing this new policy into play because it requires us to do what is in the best interest of our mission and to use every dollar effectively to that end.

Program Prioritization Update December 2018

During AY 16-17, LCSC completed work on the quintile four (4) and quintile five (5) programs from the original Program Prioritization effort, as has been reported previously to the Board. In that same year, a new Program Performance (LC's name for program prioritization) process was developed with cross-campus participation. In the new iteration, evaluation of instructional and non-instructional programs was separated. Performance continues to be tied to the Annual Assessment process as this is a well understood practice that reaches all campus programs. AY 2017-2018 served as the pilot year for the new processes. A number of reallocation measures have occurred and cost-savings have been realized, as noted here.

1. Instructional Programs

- Creation of a new instructional 'school': To support institutional enrollment initiatives, Academic Programs was split into two units: Liberal Art and Sciences (LAS) and Professional Studies (SPS). The LAS Dean position existed as the Dean of Academic Programs; the SPS Dean position was created from the retirement of the Dean of Community Programs (CP). Programs under CP were absorbed by other campus units, with minimal cost to the institution.
- Internal funds were allocated for equipment purchases to high performing programs such as the Bachelor of Science in Nursing program (simulation manikins and support equipment).
- A faculty position was shifted to a high performing division with potential for growth (Movement & Sport Sciences).
- Hiring Pause: Current 11 faculty and one (1) staff position are on hold while further analyses are conducted. Position reallocation considerations will be responsive to areas of highest performance and growth.

2. Non-instructional Programs

- Funds to compensate a Dean of Students were reallocated to support oversight of Student Affairs' educational opportunity grant programs: LC Service Corps, CAMP, Gear Up, and TRIO. The Dean of Students function was absorbed by the Vice President for Student Affairs.
- Hiring Pause in Student Affairs: 2 FTE ESL faculty, 1 administrative assistant. Position elimination: International Recruitment and Retention Specialist – duties were reassigned within the unit.
- Review of the Physical Plant staffing structure revealed that many department employees were compensated at a rate less than policy and some positions, particularly custodial, were difficult to fill given the differential in compensation between Idaho and Washington. After review of the positions, the following efficiency and compensation changes were made:
 - The custodial positions within the athletic department were brought under the supervision of the physical plant custodial structure, providing for better alignment of standards and staffing norms.
 - Two vacant custodial positions and one craftsman position were eliminated, and the compensation savings spread among remaining physical plant employees. This adjustment moved the physical plant staff compensation to 80% of the policy target in the State of Idaho's compensation paygrades, per the objective set forth in LCSC's Strategic Plan, ("Bring the average employee's compensation to 80% of policy.")

SUBJECT

Dual Credit Cost Study

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.Y.
Idaho State Board of Education Governing Policies & Procedures, Section V.R.
House Bill 672, 2018 Session, Section 5.

ALIGNMENT WITH STRATEGIC PLAN

Goal 2; Objective C: Access.

BACKGROUND/DISCUSSION

During the 2018 Legislative Session, intent language was included in an appropriation bill (House Bill 672) directing the Board to provide a report to the legislature on dual credit. The intent language states:

It is the intent of the Legislature that the President of the State Board of Education shall provide a written report to the Joint Finance-Appropriations Committee, 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.

In consultation with the institutions, a common methodology was developed and utilized to evaluate the costs at each institution. While the methodology was uniform, the implementation of dual credit programs vary at each institution. The dual credit cost study provides a narrative from each campus to identify nuances in the dual credit program at each campus.

This study focuses only on the costs identified for students taking dual credit courses at or through a participating high school. Board Policy III.Y. Advanced Opportunities, sets the dual credit fee for students taking courses on campus at the part-time student fee. Students taking a dual credit course on the college campus are excluded from this analysis. Overhead rates vary by institution as the number of individuals involved in working with the dual credit students vary by institution.

IMPACT

The dual credit cost study followed prior year's methodology of isolating the credit hours, revenues (including out-of-county tuition for community colleges), direct expenses of dedicated dual credit staff, and variable expenses for stipends paid to high school districts and/or high school teachers and amounts allocated or paid to colleges or directly to faculty. This resulted in the Net Revenue/(Loss) to Direct Expenses per credit hour shown in Attachment 2, line 19. All institutions report

positive net revenue except for Lewis-Clark State College and North Idaho College.

For indirect expenses, prior year cost studies showed a wide range of costs. For this cost study, staff and the institutions attempted to develop a common methodology for measuring indirect expenses. The methodology used by each institution was to accumulate the total cost for all personnel who were significantly impacted by dual credit students taught at the high school. The total cost was multiplied by the ratio of dual credit hours taught at the high school divided by total credits for the institution for fiscal year 2017. This resulted in the Indirect Expenses per credit hour shown in Attachment 2, line 24. The count of positions attributed to dual credit is also shown in the line 25 as a reference to the magnitude of the number for each institution.

This study is in addition to the dual credit report that was presented to the Board during the Wednesday portion of the December 2018 Board meeting. The intent language requires the report to include the achievement of dual credit students. This portion of the analysis on dual credit only includes the cost study. The dual credit report already presented to the Board includes the achievement of those dual credit students.

ATTACHMENTS

- Attachment 1 – Dual Credit Cost Study Narrative
- Attachment 2 – Dual Credit Campus Comparison
- Attachment 3 – Boise State University Dual Credit Cost Analysis
- Attachment 4 – Idaho State University Dual Credit Cost Analysis
- Attachment 5 – University of Idaho Dual Credit Cost Analysis
- Attachment 6 – Lewis-Clark State College Dual Credit Cost Analysis
- Attachment 7 – College of Southern Idaho Dual Credit Cost Analysis
- Attachment 8 – College of Western Idaho Dual Credit Cost Analysis
- Attachment 9 – North Idaho College Dual Credit Cost Analysis

STAFF COMMENTS AND RECOMMENDATIONS

The institutions provided the data for the dual credit cost study. Based on this methodology, the institutions experience a range of net revenue/cost for dual credit. Before indirect expenses the range is from a net gain of \$35.68 per credit hour to a net loss of \$3.00 per credit hour, and after indirect expenses the range is from a net gain of \$12.18 per credit hour to a net loss of \$47.66 per credit hour.

Also, while a common methodology was selected, it may not accurately account for some costs at some institutions. Given the difference in implementation of dual credit programs at each of the institutions, it is difficult to identify a single methodology to accurately compare the costs. This is evidenced by the number of dual credit staff at each institution shown in Attachment 2, line 2. Staff ranges from one (1) at University of Idaho to eleven (11) at College of Southern Idaho.

BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018

The Business Affairs and Human Resources (BAHR) Committee met in December and agreed to have staff and the institutions examine whether there should be uniform and consistent agreements with the high schools. Inconsistencies have been identified in areas such as stipends to teachers and for textbooks. While all high school teachers are receiving salaries from their school district for teaching courses, including dual credit courses taught at the high school, some institutions directly pay high school teachers teaching dual credit courses, while other institutions may provide funding to the school which may or may not be used for teacher stipends. Other instances indicate that no additional funding is provided to the teacher or school. The State constitution prohibits public schools from charging students for textbooks (*Paulson v. Minidoka County School Dist.*, 93 Idaho 469 (1970)). When students take dual credit classes through the high school, the courses are first and foremost considered high school classes and are generally made up of a mix of students, some taking the class for dual credit while others only take the course for high school credit. Some institutions pay for the textbooks for dual credit courses while some instances of dual credit offerings pass those textbook costs to the school or district. The BAHR Committee expressed a desire to explore how these interactions with the schools and institutions could be made more consistent and uniform across institutions, high schools, and dual credit offerings.

The College of Eastern Idaho was excluded from the analysis due to the lack of dual credit students during fiscal year 2017.

BOARD ACTION

This item is for informational purposes only.

In the FY 2019 appropriation bill for the Office of the State Board of Education, the Legislature tasked the President of the Board to provide a written report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee on the utilization of dual credit by students in Idaho high schools. The report 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.

1) For the dual credit courses taught at the high school:

a. For those with costs directly paid to school districts, describe how those costs are negotiated/calculated and do you determine how much goes to the teacher.

Boise State University

BSU provides payment to either the high school teacher or the district for work associated with delivering a dual credit course. This work is beyond a teacher's regular high school duties. Such work includes aligning curriculum, aligning assessments, attending university-required department meetings and professional development sessions, tending to extra administrative duties, etc.

Since 2007, the formula for classroom support implemented by Boise State Concurrent Enrollment is based on student enrollments. The starting base is \$300 for teaching the class with a minimum enrollment of five students, with an increase of \$250 for each additional 1-5 students. The average student enrollment per class was 28 students for 2017-18.

For fall semester and year-long classes the classroom support funds are sent in mid-January.

For spring semester classes, the funds are sent in mid-April.

Classroom support breakdown:

5 students \$300 Minimum
 6-10 students \$550
 11-15 students \$800
 16-20 students \$1,050
 21-25 students \$1,300
 26-30 students \$1,550

Idaho State University

ISU has one school district that does not allow for instructors to be paid directly (West Ada). ISU pays the school district the same amount that an instructor would receive (\$1,000 per section with minimum of seven students registered). ISU has no control over how this funding is allocated after the district receives it. The majority of the stipend (around 80%) is now directly going to the instructor. Instructors have access to the remaining funding for classroom materials and supplies as well as travel expenses related to attending meetings and professional development for concurrent enrollment.

University of Idaho

For UI, \$20 per credit hour is returned to the partnering school district. Line item 8.e. of the MOU between UI Dual Credit and the School District outlines how that money is to be used (i.e. "... It is understood that this revenue shall be used for dual credit program related expenses (e.g., high school instructor stipends, professional development expenses, student scholarships, classroom supplies required for the delivery of dual credit courses, etc.)).

Lewis-Clark State College

LCSC Early College Programs pays their partner school districts annually for each course which has been formally articulated and approved based upon student enrollment as of the last working day in September (Fall semester) and the last working day in February (Spring semester). Payments are made when all final grades have been submitted to LCSC and an invoice from the school district has been submitted to the college.

The following scale is used for the appropriations to school districts:

For classes offered for 3 credits or more:

- i. Classes of 5 enrolled dual credit students or less: \$30/student
- ii. Classes of 6 enrolled dual credit students or more: \$40/student

For classes offered for 1-2 credits:

- i. Classes of 5 enrolled dual credit students or less: \$15/student
- ii. Classes of 6 enrolled dual credit students or more: \$25/student

College of Southern Idaho

CSI only pays teachers, not School Districts.

College of Western Idaho

Direct compensation to their Dual Credit instructors is the preference of the CWI Dual Credit Office. As an exception, CWI pays the Boise, McCall-Donnelly, and West Ada school districts directly on behalf of the dual credit faculty.

The CWI compensates its dual credit instructors at a rate of \$20 per credit, per student registered. Instructors teaching courses that begin and end in the Fall Semester will be paid December 25th of that calendar year. Payments for all other courses, Spring and year-long, will be made June 25th of that calendar year.

North Idaho College

School districts will be compensated at the rate of \$25 per student, per credit based on a NIC dual credit high school instructor's teaching assignment credit load that occurs within their contractual high school assigned day.

Payments to the school districts for dual credit high school instructors who teach during their regular teaching assignment will be used to support dual credit in the high school. This support

may take multiple approaches and may include but not be limited to: student books, materials, supplies, equipment for dual credit courses/classrooms and/or tuition support on behalf of students who may have financial need but are not eligible for aid from other sources. Districts may also wish to use the payments to provide additional compensation to dual credit high school instructors and/or tuition reimbursement for instructors.

b. For those with costs directly paid to teachers, describe how those costs are negotiated/calculated and do you pay directly to the teacher or through the district.

Boise State University

The calculation is essentially the same. The only difference is that the payment is provided to the teacher rather than the district. Since 2007, the formula for teacher stipends implemented by Boise State Concurrent Enrollment is based on student enrollments. The starting base is \$300 for teaching the class with a minimum enrollment of 5 students, with an increase of \$250 for each additional 1-5 students. The average student enrollment per class was 28 students for 2017-18.

Stipend breakdown:

5 students \$300 Minimum
 6-10 students \$550
 11-15 students \$800
 16-20 students \$1,050
 21-25 students \$1,300
 26-30 students \$1,550

Boise School District is the only partner district not opting to have stipends given directly to teachers. In that district, all the funds are sent to the district office and administered centrally. In the West Ada School District, the stipend is sent in a lump sum and their business office distributes the funds to the instructors based on an internal formula approved by all parties involved.

Idaho State University

ISU stipends are paid directly to the instructor, with the above mentioned exception. ISU pays their instructors \$1,000 per section with a minimum of seven students registered. This helps their rural districts who tend to have low enrollment. For multiple sections of a course, instructors must have an average of ten students in order to receive a full \$1,000 per section (ie: across the registration for 3 sections there must be a minimum of 30 students registered to receive \$3,000). ISU schedules sections by class period and some have registration caps.

University of Idaho

N/A for UI

Lewis-Clark State College

N/A for LCSC

College of Southern Idaho

CSI pays all teachers \$18/credit/student enrolled in a given class.

College of Western Idaho

CWI compensates its dual credit instructors at a rate of \$20 per credit, per student registered. Instructors teaching courses that begin and end in the Fall Semester will be paid December 25th of that calendar year. Payments for all other courses, Spring and year-long, will be made June 25th of that calendar year.

North Idaho College

Dual credit high school instructors, teaching outside their regular contracted high school assignment, will receive direct compensation from NIC at the adjunct rate per NIC's policy at \$824 per credit. The dual credit high school instructor will be given a NIC adjunct contract. A dual credit high school instructor's preparation period is considered to be part of their contractual high school day and is not paid at the adjunct rate. A NIC dual credit course must have a minimum of 18 registered NIC students to avoid cancelation.

c. How are your costs for faculty stipends negotiated/calculated and do you pay directly to the faculty or to the department/college?

Boise State University

Faculty liaisons are paid \$500 per new articulation review, which involves review of applicants credentials such as transcripts, developing the course syllabus, and reviewing class assessments. A one-on-one on-boarding meeting is required.

Faculty liaisons receive an additional \$500 per approved instructor per year. They are paid to provide academic oversight as needed and to conduct a classroom observation visit and provide annual professional development. The rate is \$50 per hour for a total of 10 hours for work done during the academic year.

Idaho State University

ISU stipends for faculty liaisons are paid directly to the liaison over 2-3 pay periods. Payment timing depends on the course and sections for which they are responsible for and when the course starts (trimester, semester, year-long). ISU has courses that start four different times per academic year. ISU pays all of faculty liaisons one stipend that covers all responsibilities. They are paid \$1,000 for the very first section of a course and \$250 for each additional section thereafter. ISU's practice is to try to not have more than 3-5 instructors per liaison.

University of Idaho

Currently, \$45 per credit hour is returned to the sponsoring department/college. Faculty liaison stipends are negotiated and paid at that level. The 1.0 FTE of direct/dedicated staff for dual credit is paid on the General Education budget.

Lewis-Clark State College

LCSC Early College Programs pays their faculty liaisons directly based on whether a dual credit course/instructor is new or existing. New courses (or new teachers to existing courses) require pre-course orientation & training which constitutes a separate stipend. Faculty liaisons may select to earn credits in load (course release opportunities) rather than receive a stipend for dual credit oversight. The dollar/credit amounts were determined by examining several payment models and discussing the alternatives with the Dean and Division Chairs.

Stipend option:

- a. New course: \$300 training of new teacher, \$700 (2+ credit courses), \$500 (1 credit courses) for oversight
- b. Existing course: \$700 (2+ credit courses), \$500 (1 credit courses)

Credit option:

- a. Two+ credit classes: 2 classes = 1 credit in load
- b. One credit classes: 3 classes = 1 credit in load

College of Southern Idaho

CSI faculty are paid the adjunct or overload pay (\$830/credit) if they are at load, or they teach dual credit classes as part of their load, at no extra pay.

College of Western Idaho

Faculty Liaison costs are calculated based on a breakdown of the process to approve a high school course. Phase I curriculum alignment is paid at \$600 per course. This initial phase requires a full review of curriculum and is time intensive. Phase II is paid at \$200 per course and is a less intensive, per-semester review, of established curriculum. Faculty Liaisons are paid directly, through a stipend.

North Idaho College

Dual credit instructors at NIC are categorized as either Phase 1 or Phase 2 instructors. Phase 1 is for new instructors. They are more closely mentored to ensure quality and have mandatory check in. These mentors are compensated higher for this phase. Once the mentor determines the high school instructor is up to speed, they recommend that instructor move to Phase 2. In Phase 2, the mentor is paid less and the mandatory check in changes from one per semester to once every few years.

NEW DUAL CREDIT HIGH SCHOOL INSTRUCTORS

NIC Dual Credit Mentors working with NEW Dual Credit High School Instructors will begin at Phase One. NIC Dual Credit Mentors for each division will be paid \$200 per Step of Phase One completed.

- PHASE One: STEP 1 FOR NEW INSTRUCTOR – To be completed before semester begins
- PHASE One: STEP 2 FOR NEW INSTRUCTOR – To be completed mid-semester
- PHASE One: STEP 3 FOR NEW INSTRUCTOR – To be completed before semester ends

RETURNING DUAL CREDIT HIGH SCHOOL INSTRUCTORS

NIC Dual Credit Mentors working with NEW Dual Credit High School Instructors will begin at Phase Two. NIC Dual Credit Mentors for each division will be paid \$100 per Step of Phase Two completed.

- PHASE Two: STEP 1 FOR RETURNING INSTRUCTORS – To be completed before semester begins
- PHASE Two: STEP 2 FOR RETURNING INSTRUCTORS – To be completed mid-semester
- PHASE Two: STEP 3 FOR RETURNING INSTRUCTORS – To be completed before semester ends

2) Besides dual credit courses taught at the high school, what other forms of dual credit do you provide? (e.g. on-line, on campus)

Boise State University

On-line with Idaho Digital Learning: Boise State concurrent enrollment provides dual credit classes online with Idaho Digital Learning (IDL).

On-Campus and on-line: Through the Sophomore Start Program, students who work towards completing 30 credits before they graduate from high school may choose to take classes on campus or on-line to accommodate their school schedule or to gain credits not offered at their high school.

Idaho State University

ISU offers students the opportunity to come to campus to take classes if it fits with their schedules/academic needs. There are two ways for which they can do this. The first is through a pilot program ISU has partnered with 2 colleges to offer General Education specific courses taught by hand selected faculty who provide a good experience for the high school student. These are all taught face to face and there are no other charges for students to take these courses, just the \$65.00 per credit hour. ISU has worked with private donors and education foundations to also provide textbooks for students participating in their pilot program. The second way is for students to take courses that are not in the pilot program, either face to face or online (very limited). ISU limits all of their ECP students to lower division courses as well and if it doesn't meet a Gen Ed, ISU is looking to meet program requirements secondly. Some students are also working on Associates Degrees as well. There are many reasons why students need more options for courses and ISU provides those opportunities for students. Regardless of participation in the pilot or on campus classes, all students must complete an in person New Student Orientation designed for high school students taking courses on campus for the first time and how to be a college student as well as dealing with challenges/issues they may run into. This is completed before their first day on campus. Each student taking courses on campus is also assigned a dual credit advisor. These advisors meet with them at least once per semester and again assist with questions and issues, as well as scheduling for future semesters. ISU will also be partnering with IDLA starting Spring of 2019.

University of Idaho

On Campus

- Dual credit students who are 16 or older may take any course the university offers, provided they meet all prerequisites or the instructor grants permission.

Online

- Dual credit students may also register for any online courses the university offers, provided they meet all prerequisites or the instructor grants permission.

Lewis-Clark State College

Dual credit students can take courses on-campus or online from LCSC. Early College Programs also offers courses online via Idaho Digital Learning. LCSC also offers Washington students these same opportunities in addition to high school offerings in Washington. For FY18, Washington students taught at the high schools is 392 credit hours, Idaho and Washington students via online or distance delivery is 881 credit hours, and Idaho and Washington students enrolled through LCSC (on campus or online) is 615 credit hours. This is a total of 1,888 credit hours in addition to the reported 4,819 Idaho dual credit hours taught at the high schools.

College of Southern Idaho

CSI provides on campus, online, hybrid, CSI faculty teaching at high schools, CSI faculty doing teleconference courses, and Academies on and off our campus, and CTE specific pathways as block programs on our campus.

College of Western Idaho

Dual Credit at the High Schools, Dual Credit on the college campus and Dual Credit Online

North Idaho College

On campus, online and IVC

3) For the other delivery methods, what do you charge the student?**Boise State University**

On-line with IDL: Boise State concurrent enrollment provides dual credit classes online with IDL at \$65 per credit.

On-Campus and on-line: Boise State provides students the opportunity to take classes on campus and on-line. Students pay full fees of \$345 per credit when taking classes on campus plus an additional \$90 (\$30 per credit) technology access fee for online classes.

The exception to the fees is only for students who are part of the Sophomore Start Program, these students pay \$65 per credit for classes taken in the summer, plus the \$30 per credit technology access fee for the online classes. For classes taken during the fall and spring semester full fees are paid.

Idaho State University

All students taking courses through the Early College Program (taught in high school or on campus, online, or UHHS) pay \$65.00 per credit hour. Students taking classes outside of the pilot courses or UHHS must pay any class fees as well as online course fees (\$35/credit) if taking an online course. These

costs as well as books are at the expense of the students and this is discussed with them prior to registration.

University of Idaho

Students who are Idaho residents and enroll in courses offered on the UI campus pay the part-time student fee noted on the Student Accounts website (FY18 = \$374 per credit hour), plus any special lab or course fees. *Note: Out-of-state students pay an additional part-time, non-resident fee.*

Students who enroll in online courses through the University of Idaho pay the part-time student fee noted on the Student Accounts website (FY18 = \$374 per credit hour), plus a \$35/credit hour technology fee. *Note: Non-resident fees do not apply to online courses.*

Lewis-Clark State College

All dual credit students who take classes on-campus or online (directly from LCSC) pay 25% of the current part-time per credit fee plus applicable course or technology fees (\$81/credit hour). Students who take LCSC classes via IDLA pay the same rate as courses offered in the high schools (\$65/credit hour).

College of Southern Idaho

CSI charges the same for students on all courses with a “D” for dual credit designation. If a student takes a CSI course that does not have a D, i.e. they come on their campus to take a course, then they are responsible for the entire Credit cost of \$140/credit and many of these students apply up to \$75/credit of their Federal financial aid funds to the campus course.

College of Western Idaho

CWI charges all Dual Credit students the same \$65/credit regardless of delivery method. Online courses have a \$10/credit online course fee and any on-campus special course fees, textbooks, etc. related to those courses are paid by the students.

North Idaho College

NIC charges all dual credit students the \$65 per credit hour regardless of delivery method or location. NIC offers dual credit courses in the high school, on campus, on line and via IVC.

Bad Debts

Institutions may have fees associated with dual credit that ultimately are not paid (e.g. special course fees, online fees, out of district tuition/fees, etc.) which may not be covered by Fast Forward/State funding. These unpaid balances are usually recorded as an allowance for bad debt expense as they are deemed uncollectable. They are subsequently written off to bad debt expense. These costs are not included in this study.

4) Describe some of the unique things about your dual credit program.

Boise State University

Boise State's Concurrent Enrollment Program is the first public institution dual credit program in Idaho to gain accreditation and re-accreditation from the National Alliance of Concurrent Enrollment Partnerships (NACEP), in 2009 and 2017. The CEP director served on the national board from 2010-13.

Boise State's Concurrent Enrollment Program focuses on providing math and science dual credit courses as well as general education courses that are highly transferable and more likely to apply to a student's chosen major.

Boise State's Concurrent Enrollment Program grants students access to academic resources such as the Albertsons Library and Writing Center. Both are available in person and online.

Boise State's Concurrent Enrollment Program student participants have a pass rate in the high 90th percentile. This is due to the students self-selecting to participate in the program and meeting the required cumulative 2.7 GPA (recommended 3.0 GPA).

Boise State's Concurrent Enrollment Program began organizing the state-wide dual credit directors/coordinators in 2004 to share best practices, improve quality statewide, and provide onboarding support to new professionals in the field. This group now meets twice a year and the institutions take turns hosting the group meeting.

Idaho State University

ISU is one of four programs statewide, and one of 107 nationally who are accredited through NACEP (2014-2021). The National Alliance of Concurrent Enrollment Partnerships is the only accrediting body for programs like theirs.

ISU's Early College Program started offering courses in 1994, four years before there were state policies created.

ISU offers students who are interested in the health professions to take online intro courses through their UHHS program (University Health High School) where ISU has a high school instructor teaching these. ISU does not charge any course fees or online fees for these classes but are just \$65.00 credit.

ISU has several schools participating in their Spanish for the Health Professions courses as well. Here, their faculty liaison does a lot of work with them: lectures, Spanish CLEP testing and preparing them to be certified Spanish language interpreters working in hospitals or health care. Since ISU has a Bachelor of Arts in Spanish for the Health Professions, students are well on their way towards completing program courses too.

ISU has three outreach campuses and offer courses to high school students at their Idaho Falls Campus.

ISU offers dual credit courses on campus in the summer for Upward Bound (TRiO) students exclusively.

ISU uses their own system (Banner) for their ECP program registration as well as their ECP application system (Ellucian). ISU's high school students apply to their program and register for their ECP courses exactly how students on campus do.

University of Idaho

A 2.5 GPA on a 4.0 scale is required. However, a minimum 2.7 is strongly recommended for dual credit students

Mixed classes are allowed

Minimum class size is not enforced

Lewis-Clark State College

LCSC Early College Programs offers dual credit courses to four school districts in the state of Washington (Asotin, Clarkston, Colfax, Pomeroy). Two of these schools (Asotin and Clarkston) are geographically closer to LCSC than nearly all of their Idaho high schools. LCSC Early College Programs is part of the School of Liberal Arts and Sciences, which ensures strong communication and partnerships between Early College Programs personnel, Division Chairs, faculty liaisons, and the Dean.

College of Southern Idaho

CSI provides Dual Credit Academies. They have offered a STEM focused general education academy on their campus. CSI has designed and is working to implement a teacher education academy taught at the high school, and they are exploring other options within this realm to attract learners to the CSI main campus. However, their cost for them is higher than if they take a Dual Credit only course off campus or online.

CSI has full time employees who are now being hired with the role of Dual Credit teaching and mentoring in their job description. Those faculty have a percentage of their role as a full time employee devoted to teaching courses on their campus and at the local rural schools, as well as mentoring dual credit instructors who teach in their discipline.

CSI has established a number of CTE technical dual credit pathways or academies that are hosted on their campus, where students from local schools are supported through their Foundation to enroll in and take their programmatic courses while still in high school. The student pays \$75/credit using Fast Forward funds, and the CSI foundation has committed to splitting the remaining cost of the program for the students, including the cost of their tools/equipment/supplies.

CSI is utilizing faculty to teach online courses, distance learning or telecom courses, and even face to face in high school courses across the region and the state.

CSI has 16 full time employees who operate the Early College Program. Their team has one dean, one office specialist and 14 early college coordinators. CSI is embedded in over 75 schools, and they have over 260 instructors, 55 faculty liaisons, and 6000+ students.

CSI offers Professional Development, Onboarding and Faculty Liaison training on an annual basis directed at department specific pedagogical advancement for the teacher and liaison.

College of Western Idaho

CWI is the largest, NACEP Accredited, program in the state.

CWI is the first program to implement fully online student registration for Dual Credit students.

CWI has dedicated positions (Faculty Mentor Coordinators) who represent their specific schools at the college and help manage the curriculum review process with our Faculty Liaisons. They also provide discipline specific training/PD for our high school faculty.

CWI is the only program with a dedicated Dual Credit Advisor (reports to the CWI Director of Advising). This position was created to support the change in legislation specific to Dual Credit advising.

CWI allows students to take Dual Credit courses on their campus and online for the Dual Credit tuition rate of \$65 per credit.

North Idaho College

- NIC is located near four large high schools. Many students have the opportunity to attend classes on campus which gives them the real college feel as they take their classes
- Students are treated as “regular” students. They must apply and register themselves via an online system.
- High School seniors who have completed most of their high school required credits can participate in Career/Technical Education (CTE) courses to get a head start on a program of interest.
- NIC mentors are assigned to their HS instructors to ensure course rigor and support for the college courses in the high school.

Dual Credit Headcount by Delivery Method

End of Year Student Headcount			
INSTITUTION	2015- 2016	2016- 2017	2017- 2018
Total Institutional Combined Headcount	17,669	26,036	31,508
Boise State University			
Dual Credit Classes Taught at the High School	3,219	4,296	4,748
High School Students Enrolled in Classes Taught Directly through the College	84	82	106
Dual Credit Classes Taught Via Distance Delivery	373	562	667
Total Headcount for all instances (duplicated)	3,676	4,940	5,521
Total Unduplicated Headcount	3,597	4,857	5,408
Idaho State University			
Dual Credit Classes Taught at the High School	2,436	3,028	3,148
High School Students Enrolled in Classes Taught Directly through the College	14	3	77
Dual Credit Classes Taught Via Distance Delivery	15	33	51
Total Headcount for all instances (duplicated)	2,465	3,064	3,276
Total Unduplicated Headcount	2,445	3,087	3,209
University of Idaho			
Dual Credit Classes Taught at the High School	1,423	2,220	2,728
High School Students Enrolled in Classes Taught Directly through the College	56	31	31
Dual Credit Classes Taught Via Distance Delivery	0	0	0
Total Headcount for all instances (duplicated)	1,479	2,251	2,759
Total Unduplicated Headcount	1,476	2,247	2,755
Lewis-Clark State College			
Dual Credit Classes Taught at the High School	818	967	827
High School Students Enrolled in Classes Taught Directly through the College	17	27	58
Dual Credit Classes Taught Via Distance Delivery	18	89	235
Total Headcount for all instances (duplicated)	853	1,083	1,120
Total Unduplicated Headcount	853	994	1,120
*This report includes ISU's resubmission of 2015-16, 2016-17, and 2017-18 data. The original data included reporting error that underreported the population.			

Dual Credit Cost Study
FY 2017
Draft: September 26, 2018

	BSU	ISU	UI	LCSC	CSI	CWI	NIC
1 Credit Hours	21,336	20,270	10,052	4,172	23,772	40,141	3,828
2 Dual Credit Staff FTP	5.25	3.00	1.00	1.73	11.00	5.00	3.00
3 CH per Dual Credit Staff FTP	4,065	6,757	10,052	2,412	2,161	8,028	1,276
4 Dual Credit Staff Cost per FTP	\$ 67,362	\$ 64,860	\$ 91,585	\$ 78,934	\$ 60,408	\$ 69,865	\$ 52,782
5							
6 Fixed Costs per CH							
7 Dual Credit Staff Cost per CH	\$ 16.57	\$ 9.60	\$ 9.11	\$ 32.73	\$ 27.95	\$ 8.70	\$ 41.37
8 Articulation review per CH	\$ 1.29	\$ 0.06	\$ 0.01	\$ -	\$ -	\$ -	\$ -
9 Travel/materials/other per CH	\$ 3.01	\$ 0.88	\$ 0.92	\$ 4.38	\$ 2.48	\$ 1.46	\$ 4.19
10 Total Fixed Costs per CH	\$ 20.87	\$ 10.54	\$ 10.04	\$ 37.11	\$ 30.43	\$ 10.17	\$ 45.55
11							
12 Variable Costs							
13 High School Stipends per CH	\$ 17.52	\$ 16.89	\$ 20.31	\$ 10.76	\$ 21.10	\$ 22.25	\$ 32.24
14 College/University Faculty Stipends per CH	\$ 6.42	\$ 7.19	\$ 9.56	\$ 17.35	\$ 4.81	\$ 4.96	\$ 7.07
15 Other College/University related per CH	\$ 0.68	\$ -	\$ 1.13	\$ -	\$ -	\$ -	\$ -
16 Textbooks per CH	\$ 0.56	\$ -	\$ 0.33	\$ 2.78	\$ -	\$ 0.03	\$ -
17 Total Variable Costs per CH	\$ 25.18	\$ 24.08	\$ 31.33	\$ 30.89	\$ 25.91	\$ 27.24	\$ 39.31
18							
19 Total Direct Expenses per CH (Fixed plus Variable)	\$ 46.05	\$ 34.63	\$ 41.37	\$ 68.00	\$ 56.35	\$ 37.40	\$ 84.86
20							
21 Total Revenue per CH	\$ 65.30	\$ 65.00	\$ 65.00	\$ 65.00	\$ 91.39	\$ 73.08	\$ 69.50
22 Net Revenue/(Loss) to Direct Expenses per CH	\$ 19.25	\$ 30.37	\$ 23.63	\$ (3.00)	\$ 35.04	\$ 35.68	\$ (15.36)
23							
24 Indirect Expenses per CH	\$ 25.01	\$ 18.19	\$ 68.35	\$ 44.67	\$ 49.01	\$ 50.46	\$ 31.68
25 Count of positions attributed to Dual Credit for overhead	50	22	67	12	47	71	28
26 Total Direct and Indirect Expenses	\$ 71.06	\$ 52.82	\$ 109.72	\$ 112.66	\$ 105.36	\$ 87.87	\$ 116.54
27							
28 Total Revenue per CH	\$ 65.30	\$ 65.00	\$ 65.00	\$ 65.00	\$ 91.39	\$ 73.08	\$ 69.50
29 Net Revenue/(Loss) to Direct and Indirect Expenses per CH	\$ (5.76)	\$ 12.18	\$ (44.72)	\$ (47.66)	\$ (13.97)	\$ (14.79)	\$ (47.04)

ATTACHMENT 3

Dual Credit Cost Analysis Boise State University FY17 Data

1	Revenues				
2	Student Fees (<i>Billed</i>)			\$	1,393,230
3	Credit Hours (CH) - Academic	21,336			
4	Credit Hours (CH)-Technical(not Tech Competency)	-			
5	Total Credit Hours (CH)	21,336	21,336		
6	per credit fee		\$	65.30	
7	Out of County Tuition (<i>Billed</i>)				-
8	Total Revenues		\$	65.30	\$ 1,393,230
9					
10	Expenses				
11	Administrative Expenses				
12	Dual Credit Department	FTP	5.2	\$	353,601
13	(includes salary, health care, and benefits)		\$	67,362	
14	Allocated Institution Support (University Admin Service Charge & Central Support)				533,704
15	DualEnroll.com - Licensing Fee			\$	34,000.00
16					
17	Articulation reviews	# of reviews:	47	\$	27,461.31
18	(Paid \$500 per ArtIn Review)				
19	Campus visits for DC students (on campus	\$8/lunch	1,095	\$	8,761.40
20	(on campus lunches for students \$8/lunch paid by Pcard, food only--excludes room/technology rentals)				
21	Cost of room/technology rentals for on student campus lunches/visits			\$	2,248.17
22	DC travel to staff conferences and state meetings (registration fees & associated travel costs)			\$	1,733.80
23	Other: including program brochures, student registration packets and marketing costs			\$	16,199.00
24	DC staff travel to HS for registration & admin. Oversight			\$	1,203.01
25	Total Administrative Expenses		\$	(45.88)	\$ 978,912
26					
27	Variable Expenses				
28	Stipends to HS school districts	# of schools	6	\$	197,052
29	including lab equipment and supplies				
30	Paid by Payment Request/Contract. Funds sent by check to SD				
31	Office equipment for dual credit support			\$	4,817.47
32	Stipends to HS teachers	# of teachers	88	\$	171,860.00
33	Direct payment by EAF or LOA - Amount determine by # of students				
34	Teaching stipends to college/university faculty	n/a			
35	(Payments are not made to College/University Faculty)	n/a			-
36	College/University Faculty stipends	# of faculty	41	\$	136,916.69
37	(Paid by direct payment (EAF) or fund transfer to department (JE). Paid \$500 per artIn/obsv + Fringe)				
38	Curriculum review, Instructor professional development			\$	10,630.05
38	Concurrent Enrollment Team Professional Development			\$	1,186.25
39	Parking for various dual credit meetings and events			\$	2,785.00
40	Textbooks (Cost significantly lower than hisotorically because of lack of funds)	cost/credit hr.	\$ 0.56	\$	12,026.52
41	Total Variable Expenses (variable expense per CH)		\$	(25.18)	\$ 537,274
42					
43	Total Expenses		\$	(71.06)	\$ 1,516,186
44					
45	Net Revenue over Expenses		\$	(5.76)	\$ (122,956)

Dual Credit Cost Analysis
Idaho State University
FY17 Data

1	Revenues			
2	Student Fees (<i>Billed</i>)			\$ 1,317,550
3	Credit Hours (CH) - Academic	20,270		
4	Credit Hours (CH)-Technical(not Tech Competency)	-		
5	Total Credit Hours (CH)	20,270	20,270	
6	per credit fee		\$ 65.00	
7	Out of County Tuition (<i>Billed</i>)			-
8	Total Revenues		\$ 65.00	\$ 1,317,550
9				
10	Expenses			
11	Administrative Expenses			
12	Dual Credit Department	FTP	3.0	\$ 194,579
13			\$ 64,860	
14	Allocated Institution Support			
15				368,809
16				
17	Articulation reviews	# of reviews	24	1,212
18	(1 hour wages/ben per review)			
19	Campus visits for DC students (on campus	\$7.50/lunch	-	-
20	lunches for students, etc.; list method)			
21	DC travel to staff conferences and state meetings			7,031
22	Other: including program brochures and marketing costs			2,987
23	DC staff travel to HS for registration & admin. oversight			7,872
24	Total Administrative Expenses		\$ (28.74)	\$ 582,490
25				
26	Variable Expenses			
27	Stipends to HS school districts	# of schools	4	\$ 38,550
28	including lab equipment and supplies			
29	(See Methodology Tab)			
30	Stipends to HS teachers	# of teachers	127	303,830
31	(See Methodology Tab)	# of credit hrs	20,270	
32	Teaching stipends to college/university faculty	# of faculty	-	-
33	(See Methodology Tab)	# of credit hrs	-	
34	College/University Faculty stipends	# of faculty	43	145,790
35	(See Methodology Tab)			
36	(Curriculum review, professional development)			
37	Textbooks	cost/credit hr.	\$ -	-
38	Total Variable Expenses (variable expense per CH)		\$ (24.08)	\$ 488,170
39				
40	Total Expenses		\$ (52.82)	\$ 1,070,660
41				
42	Net Revenue over Expenses		\$ 12.18	\$ 246,890

Dual Credit Cost Analysis

University of Idaho

FY17 Data

1 Revenues

2	Student Fees (<i>Billed</i>)			\$ 653,380
3	Credit Hours (CH) - Academic	10,052		
4	Credit Hours (CH)-Technical(not Tech Competency)	-		
5	Total Credit Hours (CH)	10,052	10,052	
6	per credit fee		\$ 65.00	
7	Out of County Tuition (<i>Billed</i>)			-
8	Total Revenues		\$ 65.00	\$ 653,380

9

10 Expenses

11	Administrative Expenses			
12	Dual Credit Department	FTP	1.0	\$ 91,585
13				\$ 91,585
14	Allocated Institution Support			
15				687,100
16				
17	Articulation reviews (MOUs)	# of reviews		86
18	(list methodology used)			
19	Campus visits for DC students (on campus	\$7.50/lunch	-	-
20	lunches for students, etc.; list method)			
21	DC travel to staff conferences and state meetings			3,509
22	Other: including program brochures and marketing costs			4,376
23	DC staff travel to HS for registration & admin. oversight			1,339
24	Total Administrative Expenses		\$ (78.39)	\$ 787,995
25				
26	Variable Expenses			
27	Stipends to HS school districts	# of schools	38	\$ 204,170
28	including lab equipment and supplies			
29	(list methodology used to pay stipends)			
30	Stipends to HS teachers	# of teachers	95	-
31	(list methodology used to pay stipends)	# of credit hrs		-
32	Teaching stipends to college/university faculty	# of faculty	-	
33	(list methodology used to pay stipends)	# of credit hrs	-	-
34	College/University Faculty stipends	# of faculty	18	96,078
35	(List methodology used)			
36	(Curriculum review, professional development)			11,339
37	Textbooks	cost/credit hr.	\$ 0.33	3,360
38	Total Variable Expenses (variable expense per CH)		\$ (31.33)	\$ 314,947
39				
40	Total Expenses		\$ (109.72)	\$ 1,102,941
41				
42	Net Revenue over Expenses		\$ (44.72)	\$ (449,561)

Dual Credit Cost Analysis

Lewis-Clark State College

FY17 Data

1 Revenues

2	Student Fees (<i>Billed</i>)			\$	271,180
3	Credit Hours (CH) - Academic	3,687			
4	Credit Hours (CH)-Technical(not Tech Competency)	485			
5	Total Credit Hours (CH)	4,172	4,172		
6	per credit fee		\$	65.00	
7	Out of County Tuition (<i>Billed</i>)				-
8	Total Revenues		\$	65.00	\$ 271,180

9

10 Expenses

11	Administrative Expenses				
12	Dual Credit Department	FTP	1.7	\$	136,556
13				\$	78,934
14	Allocated Institution Support				
15	See Labor Tab				186,345
16					
17	Articulation reviews	# of reviews	12	\$	-
18	(list methodology used)				
19	Campus visits for DC students (on campus	\$7.50/lunch	-	\$	-
20	lunches for students, etc.; list method)				
21	DC travel to staff conferences and state meetings				6,120
22	Other: including program brochures and marketing costs				8,704
23	DC staff travel to HS for registration & admin. oversight				3,430
24	Total Administrative Expenses		\$	(81.77)	\$ 341,155
25					
26	Variable Expenses				
27	Stipends to HS school districts	# of schools	13	\$	44,890
28	including lab equipment and supplies				
29	(list methodology used to pay stipends)				
30	Stipends to HS teachers	# of teachers	40	\$	-
31	(list methodology used to pay stipends)	# of credit hrs			
32	Teaching stipends to college/university faculty	# of faculty			
33	(list methodology used to pay stipends)	# of credit hrs			
34	College/University Faculty stipends	# of faculty	29	\$	72,400
35	(List methodology used)				
36	(Curriculum review, professional development)				
37	Textbooks	cost/credit hr.	\$	2.78	11,583
38	Total Variable Expenses (variable expense per CH)		\$	(30.89)	\$ 128,873
39					
40	Total Expenses		\$	(112.66)	\$ 470,028
41					
42	Net Revenue over Expenses		\$	(47.66)	\$ (198,848)

Dual Credit Cost Analysis
College of Southern Idaho
FY17 Data

1 Revenues

2	Student Fees (<i>Billed</i>)			\$ 1,545,180
3	Credit Hours (CH) - Academic	22,148		
4	Credit Hours (CH)-Technical(not Tech Competency)	<u>1,624</u>		
5	Total Credit Hours (CH)	23,772	<u>23,772</u>	
6	per credit fee		<u>\$ 65.00</u>	
7	Out of County Tuition (<i>Billed</i>)			<u>627,450</u>
8	Total Revenues		\$ 91.39	<u>\$ 2,172,630</u>

9**10 Expenses**

11	Administrative Expenses			
12	Dual Credit Department	FTP	11.0	\$ 664,485
13			\$ 60,408	
14	Allocated Institution Support			
15				1,165,162
16				
17	Articulation reviews	# of reviews		-
18	(list methodology used)			
19	Campus visits for DC students (on campus	\$7.50/lunch	-	-
20	lunches for students, etc.; list method)			
21	DC travel to staff conferences and state meetings			
22	Other: including program brochures and marketing costs			40,313
23	DC staff travel to HS for registration & admin. oversight			<u>18,659</u>
24	Total Administrative Expenses		\$ (79.45)	\$ 1,888,619
25				
26	Variable Expenses			
27	Stipends to HS school districts	# of schools	63	\$ -
28	including lab equipment and supplies			
29	(list methodology used to pay stipends)			
30	Stipends to HS teachers	# of teachers	245	501,708
31	(list methodology used to pay stipends)	# of credit hrs		
32	Teaching stipends to college/university faculty	# of faculty		
33	(list methodology used to pay stipends)	# of credit hrs		114,304
34	College/University Faculty stipends	# of faculty	49	
35	(List methodology used)			
36	(Curriculum review, professional development)			
37	Textbooks	cost/credit hr.	\$ -	-
38	Total Variable Expenses (variable expense per CH)		\$ (25.91)	\$ 616,012
39				
40	Total Expenses		\$ (105.36)	\$ 2,504,631
41				
42	Net Revenue over Expenses		\$ (13.97)	\$ (332,001)

Please fill this sheet out as normal. Community colleges will include out-of-county tuition.

Please do not include bad debts or scholarships under expenses.

Dual Credit Cost Analysis
College of Western Idaho
 FY17 Data

1	Revenues					Billed
2	Student Fees (<i>Billed</i>)				\$ 2,609,165	\$ 2,609,165
3	Credit Hours (CH) - Academic	40,093				
4	Credit Hours (CH)-Technical(not Tech Competency)	48				
5	Total Credit Hours (CH)	40,141		40,141		
6	per credit fee			\$ 65.00		
7	Out of County Tuition (<i>Billed</i>)				324,300	
8	Total Revenues		\$ 73.08		\$ 2,933,465	
9						
10	Expenses					
11	Administrative Expenses					
12	Dual Credit Department	FTP	5.0	\$ 349,325		
13				\$ 69,865		
14	Allocated Institution Support					
15					2,025,711	
16						
17	Articulation reviews	# of reviews			-	
18	(list methodology used)					
19	Campus visits for DC students (on campus	\$7.50/lunch	-		-	
20	lunches for students, etc.; list method)					
21	DC travel to staff conferences and state meetings				6,314	
22	Other: including program brochures and marketing costs				48,422	
23	DC staff travel to HS for registration & admin. oversight				4,034	
24	Total Administrative Expenses		\$ (60.63)		\$ 2,433,806	
25						
26	Variable Expenses					
27	Stipends to HS school districts	# of schools	4	\$ 283,698		
28	including lab equipment and supplies					
29	(list methodology used to pay stipends)					
30	Stipends to HS teachers	# of teachers			609,333	
31	(list methodology used to pay stipends)	# of credit hrs	9,374			
32	Teaching stipends to college/university faculty	# of faculty	n/a			
33	(list methodology used to pay stipends)	# of credit hrs			-	
34	College/University Faculty stipends	# of faculty	277		199,096	
35	(List methodology used)					
36	(Curriculum review, professional development)					
37						
38	Textbooks	cost/credit hr.	\$ 0.03		1,178	
39	Total Variable Expenses (variable expense per CH)		\$ (27.24)		\$ 1,093,305	
40						
41	Total Expenses		\$ (87.87)		\$ 3,527,111	
42						
43	Net Revenue over Expenses		\$ (14.79)		\$ (593,646)	

Dual Credit Cost Analysis

Institution Name

FY17 Data

1 Revenues

2	Student Fees <i>(Billed)</i>			\$	235,512
3	Credit Hours (CH) - Academic	3,828			
4	Credit Hours (CH)-Technical(not Tech Competency)	-			
5	Total Credit Hours (CH)	3,828	3,828		
6	per credit fee		\$	61.52	
7	Out of County Tuition <i>(Billed)</i>				30,525
8	Total Revenues		\$	69.50	\$ 266,038

9

10 Expenses

11	Administrative Expenses				
12	Dual Credit Department	FTP	3.0	\$	158,347
13				\$	52,782
14	Allocated Institution Support				
15					121,276
16					
17	Articulation reviews	# of reviews			-
18	(list methodology used)				
19	Campus visits for DC students (on campus	\$7.50/lunch	-		-
20	lunches for students, etc.; list method)				
21	DC travel to staff conferences and state meetings				6,150
22	Other: including program brochures and marketing costs				8,781
23	DC staff travel to HS for registration & admin. oversight				1,099
24	Total Administrative Expenses		\$	(77.23)	\$ 295,653
25					
26	Variable Expenses				
27	Stipends to HS school districts	# of schools	16	\$	88,111
28	including lab equipment and supplies				
29	(list methodology used to pay stipends)				
30	Stipends to HS teachers	# of teachers	19		35,295
31	(list methodology used to pay stipends)	# of credit hrs			
32	Teaching stipends to college/university faculty	# of faculty			
33	(list methodology used to pay stipends)	# of credit hrs			
34	College/University Faculty stipends	# of faculty	19		27,064
35	(List methodology used)				
36	(Curriculum review, professional development)				
37	Textbooks	cost/credit hr.	\$	-	-
38	Total Variable Expenses (variable expense per CH)		\$	(39.31)	\$ 150,470
39					
40	Total Expenses		\$	(116.54)	\$ 446,123
41					
42	Net Revenue over Expenses		\$	(47.04)	\$ (180,085)

BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018

SUBJECT

FY 2020 Permanent Building Fund Advisory Council recommendations

REFERENCE

August 2018

State Board of Education (Board) approved the FY2020 Permanent Building Fund (PBF) capital project requests submitted by the universities and noted the capital project requests submitted by the community colleges

APPLICABLE STATUTE, RULE, OR POLICY

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

ALIGNMENT WITH STRATEGIC PLAN

Goal 2: Objective C: Access.

BACKGROUND/DISCUSSION

Annual budget requests for major construction projects—i.e. capital projects, alteration and repair (A&R) projects, and Americans with Disabilities Act (ADA) projects—follow a dual-track approval process. In addition to the oversight and approval process provided by the Board, major construction project budget requests are also subject to review and prioritization by the Permanent Building Fund Advisory Council (PBFAC), with staff assistance provided by the Division of Public Works (DPW). After the Board approved PBF requests from the colleges and universities in August 2018, the requests were submitted to DPW for review, and DPW then developed recommendations for the distribution of limited PBF dollars for FY2020 which were considered and approved by the PBFAC on November 1, 2018.

The infrastructure needs of the higher education institutions significantly exceed the available resources within the PBF. Deferred maintenance needs at the institutions are calculated to be on the order of hundreds of millions of dollars. Idaho institutions' needs reflect the national trend in which average deferred maintenance per square foot at public institutions is approximately \$110 dollars per square foot. The four 4-year institutions in Idaho own and maintain over 15 million square feet of facilities, suggesting a deferred maintenance level (not counting the community colleges' facilities) of over \$1 billion. The PBF dollars available for allocation to all state agencies in FY2020 total approximately \$45.7 million. Within that amount, the PBFAC has recommended approximately \$22.1M for A&R projects, with no recommendations for capital projects at this time. ADA projects were not prioritized and recommended at the November meeting, so the included numbers only reflect those A&R recommendations.

The PBFAC's recommendations for FY2020 emphasize A&R projects. The table below summarizes the higher education capital project requests for FY2020.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018**

Institution/Agency & Project	Total Project Cost (thousands)	
	Perm. Building Fund Request	Total Funds
Boise State University		
Science Laboratory Building for College of Arts & Sciences	10,000.0	15,000.0
New Academic Building for School of Public Service	20,000.0	30,000.0
Capital Renewal Projects	10,000.0	14,125.0
Idaho State University		
Relocate COT programs to the Eames building (Phase 2)	5,000.0	8,000.0
Eli Oboler Library: Upgrade HVAC, ceilings, lighting	9,465.2	9,465.2
ISU Health and Wellness Center	3,500.0	32,085.0
Remodel Frazier Hall basement	1,600.0	1,600.0
Eli Oboler Library: Remodel 1st Floor Circulation	3,996.0	3,996.0
Gale Life Science: Infrastructure Remodel (Phase 3)	8,500.0	8,500.0
Plant Sciences: Greenhouse addition	1,703.6	1,703.6
Meridian expansion: Dental Hygiene program	3,732.9	3,732.9
University of Idaho		
Tribal and Diversity Center Facility	125.0	7,500.0
Engineering/STEM Education/Classroom Facility	660.0	40,000.0
Lewis-Clark State College		
Mechanical Technical Building	6,000.0	6,250.0
College of Southern Idaho		
Canyon Building Remodel - Phase 2	2,180.0	2,180.0
College of Western Idaho		
New Truck Driving Facilities	1,000.0	3,000.0
North Idaho College		
Meyer Health Sciences Building Expansion	6,698.6	6,698.6
Total	\$ 94,161.3	\$ 193,836.3

The PBFAC's FY2020 PBF recommendations for higher education conform to the Governor's emphasis on deferred maintenance. None of the \$94.2 million in PBF requests by the colleges and universities for capital projects were recommended for PBF support. The FY2020 PBF list provides a healthy allocation of funds for A&R projects. The list of the PBFAC's recommendations is summarized in the table below, and an itemized list of recommended projects for FY2020 is provided in Attachment 1.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018**

FY2020 PBF Recommendations	Capital Projects	Alteration & Repair
Boise State University	\$ -	\$ 5,649,000
Idaho State University	\$ -	\$ 6,144,848
University of Idaho	\$ -	\$ 5,381,100
Lewis-Clark State College	\$ -	\$ 625,000
College of Eastern Idaho	\$ -	\$ 1,116,300
College of Southern Idaho	\$ -	\$ 1,150,000
College of Western Idaho	\$ -	\$ 500,000
North Idaho College	\$ -	\$ 1,528,109
Total	\$ -	\$ 22,094,357

The PBFAC will continue its efforts to educate lawmakers on the need for additional funding to support Idaho's infrastructure.

The next phase in the facilities funding process will be centered on the Joint Finance-Appropriations Committee's consideration of the recommendations from the PBFAC and the Governor's FY2020 budget recommendation.

IMPACT

The PBFAC's FY2020 PBF recommendations will be helpful to the institutions as they work to address the highest priority items on their deferred maintenance lists. Regardless of the balance point between new facilities construction and maintenance of current facilities in annual PBF budgets, the total dollars available from the state at the current PBF funding levels are insufficient to sustain the infrastructure needs of higher education and sister agencies in the state.

ATTACHMENTS

Attachment 1 - FY2020 PBFAC PBF Recommendations

STAFF COMMENTS AND RECOMMENDATIONS

Efforts by the Board and the institutions and agencies under its authority to educate lawmakers and the public on infrastructure support needs should continue. Board staff will continue to point out the costs/benefits trade-off analysis that drives decisions to demolish and replace some of the system's oldest, maintenance-intensive facilities with new, safe, and efficient facilities. There should be a balance of funding for capital projects, A&R projects, and ADA projects within annual budget cycles and over time. A process which could tap sufficient reserves to take advantage of economic cycles (the ability to continue infrastructure investments during economic downturns, when construction costs are most favorable) would be helpful.

BOARD ACTION

This item is for informational purposes only.

FY2020 ALTERATION AND REPAIR PROJECT REQUESTS

AGENCY / INSTITUTION

DPW
RECOMMENDEDAGENCY
REQUESTS

PRIORITY

EDUCATION, STATE BOARD OF

OFFICE OF STATE BOARD OF EDUCATION
Facilities Survey

		350,000	1
TOTAL	0	350,000	

BOISE STATE UNIVERSITY

Roof Replacement, Engineering	250,000	250,000	1
Roof Replacement, MEC	250,000	250,000	2
Roof Replacement, HML	200,000	200,000	3
Renovations/Conversions Lab Space	600,000	600,000	4
Safety Improvements to Infrastructure, Academic & Research	250,000	250,000	5
Roadway Maintenance & Repair, Campus Wide	250,000	250,000	6
Study, High Voltage Loop Replacement	50,000	50,000	7
Repair/Upgrade Elevators, Multiple Buildings	500,000	500,000	8
Roof Replacement, Liberal Arts	200,000	200,000	9
Restroom Upgrades, Education Building (revised 10-1-18)	350,000	350,000	10
Replace Refrigerant Systems, Multiple Buildings	700,000	700,000	11
Replace Siding, Yanke Family Research Park	500,000	500,000	12
Security System Integration, Phase 2, Campus Wide	500,000	500,000	13
Fiber Optic Cable Loop, Phase 2	240,000	240,000	14
Renew Ceiling Tiles, Multiple Buildings		250,000	15
Flooring, Abatement & Replacement, Multiple Buildings	495,000	495,000	16
Replace OIT Generator, MEC	64,000	64,000	17
Environmental Safety Alarm Pull Stations, ERB	250,000	250,000	18
Recommissioning HVAC, Science Building		75,000	19
Facility Condition Assessment and Management		300,000	20
Renovations/1st Floor, Albertsons Library		250,000	21
Repair Concrete and Masonry, Campus Wide		360,000	22
Rooftop Access & Fall Protection Upgrades, Multiple Buildings		250,000	23
Renovations/1st Floor, Grant Avenue Annex 1		150,000	24
Genset Backup, Science		300,000	25
Replace Electrical Switch Gear, SPEC		100,000	26
Fume Control/Paint Booth, HML		50,000	27
Master Plan Study, Infrastructure Assessment, Phase 1		80,000	28
Upgrade Laboratory Deionized Water Distribution System, Science Building		895,000	29
Renovation for CID, Phase 2, Albertsons Library		300,000	30
Renovate Vacated Space, Hemingway		1,500,000	31
HVAC Validation, Science Building		75,000	32
Concrete Sealant and Asphalt Overlays, University Parking Facilities		200,000	33
Exterior Wayfinding Signage, Phase 1, Campus Wide		500,000	34
Replace HVAC Controls, Multiple Buildings, SPEC, Morrison Center		800,000	35
Replace Main Air Handler, Liberal Arts		275,000	36
Upgrade Plumbing System, Bronco Gym		140,000	37
Emergency Power System Upgrades, Campus Wide		150,000	38
Replace Boiler, Yanke Family Research Park		400,000	39
Irrigation Main Line Distribution & Point of Use Controls, Campus Wide		290,000	40
Window Film, SMASH		30,000	41
Replace Storefront, Campus Wide		150,000	42
EIFS Repair, MEC		197,000	43
Upgrade Electrical Power Service Entrance, Administration Building		198,000	44
Upgrade HVAC, Yanke Family Research Park		850,000	45
Replace Door, Campus School		75,000	46
Mass Notification, Campus Wide		230,000	47
Pedestrian Safety, Cesar Chavez		300,000	48
Replacements/Additions, Emergency Phones, Phase 3, Campus Wide		130,000	49
Pedestrian /Bicycle Circulation MP & Safety Improvements, Campus Wide		300,000	50
Update Master Key Project, Phase 3		230,000	51
Replace Parking Lot, Chrisway Annex Lot		380,000	52
Remove Smokestack, Heat Plant		100,000	53
Elevator Shaft Damper Study/Install, Campus Wide		250,000	54
Replace Pool Dehumidification & Ventilation System, Kinesiology Annex		800,000	55
Emergency Notification System, Multiple Buildings		105,000	56
Complete South Campus Power Loop		350,000	57
Steam Tunnel Lid Renovations, Campus Wide		100,000	58
Stucco, Child Care Center		150,000	59
Single Mode Fiber Termination, OIT, Taco Bell Arena		5,000	60
Network Connect Emergency Generators, Campus Wide		100,000	61
Furr Out/Insulate Walls & Windows, Math		350,000	62
Emergency Generator, Heat Plant		150,000	63
Furr Out/Insulate Walls, Administration		200,000	64
Electronic Access Project, Phase 3		295,000	65
Renovations for Teaching & Research Space, COAS, COEN, COE, COSSPA		455,000	66
Electrical Expansion, Albertsons Library		300,000	67
Renovate Academic & Career Services		100,000	68
Flooring Repairs/Remodel, Computer Classroom 103, MEC		250,000	69
Infrastructure Upgrade, Taco Bell Arena		700,000	70
Remodel Engineering, Rooms 103 & 110		1,750,000	71
Vivarium Buildout		900,000	72
Replace Building Entrance Stairs and Ramps, Multiple Buildings		50,000	73
Research Facility Human Environment Systems, Location TBD (Computational Lab)		350,000	74

FY2020 ALTERATION AND REPAIR PROJECT REQUESTS

AGENCY / INSTITUTION

DPW
RECOMMENDEDAGENCY
REQUESTS

PRIORITY

Replace Lab Casework, Science Building		631,000	75
Replace HVAC Controls, Multiple Buildings		250,000	76
Exterior Repairs, Multiple Buildings		180,000	77
Replace Windows & Aluminum Frames, Albertsons Library		850,000	78
Windows & Doors, Albertsons Library		30,000	79
Install 4-pipe Heating/Cooling Systems, Liberal Arts		600,000	80
HVAC Upgrade, Campus School		150,000	81
Upgrade IML Facilities Vacuum, Engineering		150,000	82
Lobby Entry Finishes/Ceiling, Science Education		150,000	83
Upgrades, Entry and Corridor, Science		150,000	84
Exterior Repairs, Morrison Center		80,000	85
Lobby Entry Finishes/Ceiling, Morrison Center		100,000	86
Modification of Space for 'Scale Up' Classroom		150,000	87
Upgrade Student Study Areas, Engineering		150,000	88
Conversation Labs, Location Unknown		150,000	89
Terrace, Second Floor Library S, Albertsons Library		75,000	90
Improvements/Landscaping and Parking, South Campus		150,000	91
Renovate Vacated Space, Yanke		200,000	92
Remodel Entry, SMASH		250,000	93
Upgrade Process Chilled Water, MEC		170,000	94
Multiple Projects, Special Events Center		148,000	95
Renovate for Library Acoustics, Albertsons Library		100,000	96
Remodel Pod 8, Yanke		250,000	97
Office Suite Renovation, 210/215, Albertsons Library		75,000	98
Space Consolidation/Renovation, Albertsons Library		780,000	99
Upgrades/Bicycle End-Trips, Campus Wide		145,000	100
Site/Irrigation Improvements, Yanke		573,000	101
Window Assessment & Replacement, Science & Education		520,000	102
Upgrade Computer Room Ceiling, Unit 305, MEC		75,000	103
SUBTOTAL	5,649,000	31,501,000	

IDAHO STATE UNIVERSITY Revised 9-13-2018

Steam Plant Condition Assessment and Master Plan, Heat Plant	99,906	99,906	1
Roof Replacement, Business Administration	369,600	369,600	2
Roof Replacement, Heat Plant	157,682	157,682	3
Roof Replacement, Albion Hall	617,115	617,115	4
Upgrade HVAC, Phase 2, Reed Gymnasium	1,109,737	1,109,737	5
Clinic Expansion, Meridian	930,000	930,000	6
Envelope Repairs, CAES	299,081	299,081	7
Replace Ceilings/Add HVAC Returns, Phase 2, Tingey Administration Building	196,750	196,750	8
Replace Carpet, Third Floor, Oboler Library	353,082	353,082	9
ADA Access, Memorial Drive to Gale Life Science Courtyard	45,000	45,000	10
Remodel COT for Cosmetology Expansion	929,280	929,280	11
New Office and Conference Room Space, Maintenance/Welding Shops	301,000	301,000	12
Addition/Alteration Facilities Shop, Meridian		830,700	13
Remodel Restrooms for ADA Compliance, Speech Pathology Audiology		42,600	14
SUBTOTAL	5,408,233	6,281,533	

IDAHO STATE UNIVERSITY -- UNIVERSITY PLACE

Roof Replacement, Tingey Administration Building	736,615	736,615	
SUBTOTAL	736,615	736,615	

UNIVERSITY OF IDAHO

HVAC, Phase 1, Agricultural Sciences	999,100	999,100	1
Acoustic Mitigation & Isolation, Phase 2, LHSOM	900,000	900,000	2
Acoustic Mitigation & Isolation, Phase 2, Ridenbaugh	900,000	900,000	3
Roof Replacement, Holm Research Center	281,400	281,400	4
Roof, McClure Hall	394,000	394,000	5
Roof Replacement, Library	741,600	741,600	6
Buchanan Engineering Library, Life Safety, Phase 3	515,000	515,000	7
Repairs/Renovations, Research, Archive and Collections Building	650,000	650,000	8
Repairs/Repaving, Idaho Avenue Extension		1,004,800	9
Replace AC Mains, Domestic Water System, Phase 1		796,900	10
Roof Replacement, Menard Law Building		548,100	11
Exterior Masonry Repairs, Administration Building		850,000	12
Recoat I-Tank Exterior, Domestic Water System		190,000	13
HVAC Upgrade, Janssen Engineering Building, Phase 4		700,900	14
Repairs, Campus Drive, Phase 2		669,500	15
Reconfigure/Rebuild, Nez Perce Drive		875,200	16
HVAC Upgrade, Life Sciences South, Phase 3		1,298,300	17
HVAC, Gibb Hall, Phase 2		1,296,200	18
Steam Plant Emergency Generator		1,103,400	19
Replace AC Mains, Domestic Water System, Phase 2		621,800	20
HVAC, LHSOM, Phase 1		850,000	21
Replace Paradise Creek Undercrossing, Perimeter Drive		1,011,500	22
HVAC, Administration Building, Phase 2		1,299,300	23
Replace AC Mains, Domestic Water System, Phase 3		566,500	24
HVAC, Gibb Hall, Phase 3		1,299,300	25
SUBTOTAL	5,381,100	20,362,800	

FY2020 ALTERATION AND REPAIR PROJECT REQUESTS

AGENCY / INSTITUTION	DPW RECOMMENDED	AGENCY REQUESTS	PRIORITY
LEWIS-CLARK STATE COLLEGE			
Repairs, Reid Centennial Hall Tower	75,000	75,000	1
HVAC, Administration Building	200,000	200,000	2
Repair Sidewalks, Campus Wide	80,000	80,000	3
Repave 11th Street Parking Lot	150,000	150,000	4
Ventilation, Activity Center, West Auxiliary Gym	120,000	120,000	5
SUBTOTAL	625,000	625,000	
NORTH IDAHO COLLEGE			
Resurface Parking Lots	325,000	325,000	1
Repair Campus Sidewalks	150,000	150,000	2
Replace Elevator, Kildow Hall	100,000	100,000	3
Steam Plant Elimination, Phase 1	953,109	953,109	4
Steam Plant Elimination, Phase 2		265,201	5
SUBTOTAL	1,528,109	1,793,310	
COLLEGE OF EASTERN IDAHO			
Roof Replacement, Robertson Building	1,116,300	1,116,300	1
Roof Replacement, Christopherson Building		1,035,300	2
Chip Seal Roads and Parking Lots		235,300	3
Parking Lot, West of Building 6		446,800	4
Parking Lot, North of Building 5		446,800	5
SUBTOTAL	1,116,300	3,280,500	
COLLEGE OF SOUTHERN IDAHO			
Roof, Desert/Canyon Building	50,000	50,000	1
Replace Irrigation Control System	191,000	191,000	2
Replace Walk-In Freezers, Desert Kitchen	150,000	150,000	3
Roof Deck, Chilling Plant	65,000	65,000	4
Refurbish Restrooms, Mini-Cassia	220,000	220,000	5
Window Replacements, Rick Allen Room	56,000	56,000	6
Install Security Cameras, Phase 1	90,000	90,000	7
Entry Access Controls, Phase 2	180,000	180,000	8
Elevator Replacement, Taylor Building	148,000	148,000	9
VAV Box Upgrade, Canyon Building		200,000	10
SUBTOTAL	1,150,000	1,350,000	
COLLEGE OF WESTERN IDAHO			
Roof Replacement, Canyon County Center	500,000	500,000	1
Makeup Air/Exhaust Fan, Canyon County Center		390,000	2
Replace Controls, HVAC, Nampa Campus Academic Building		370,000	3
Exterior Lighting, Nampa Campus Academic Building		175,000	4
Upgrade Classroom, Nampa Campus Academic Building		100,000	5
Upgrades HVAC, Micron Education Center		50,000	6
SUBTOTAL	500,000	1,585,000	
TOTAL SBE:	22,094,357	67,865,758	

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018**

IDAHO STATE UNIVERSITY

SUBJECT

Pending legislative approval, move \$10M dollars of funding from Gale Life Science to the EAMES project, and begin construction of Phase I of EAMES Building remodel for moving College of Technology programs

REFERENCE

February 2017	Idaho State Board of Education (Board) approved engineering and cost estimating to move College of Technology Academic programs to the RISE building.
August 2017	ISU FY19 Six-Year Capital Project Plan approved
August 2018	ISU FY20 Six-Year Capital Project Plan approved

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.3 b & c.

ALIGNMENT WITH STRATEGIC PLAN

The request aligns with the following State Board of Education Strategic Plans:
Goal 1: Educational System Alignment. The corresponding Objective is: B: Alignment and Coordination

BACKGROUND/DISCUSSION

Idaho State University (ISU) requests to begin construction of Phase I of EAMES Building remodel to accommodate the relocation of College of Technology Programs.

This project provides for collocation of several College of Technology programs in one building. This project supports the alignment of resources and creates additional efficiencies across campus, including freeing up space for other programs. EAMES funding for Phase I is provided pending legislative approval for moving the \$10M dollars appropriated for the Gale Life Science, and \$3.3M of institutional funds from reserves for a total project cost of \$13.3M dollars.

The EAMES building remodel is a shovel-ready project that takes advantage of the \$10M resource while the institution pauses to plan what will happen with the Gale Life Science Building which is ISU's #1 priority on its six year capital plan.

BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018

IMPACT

This expansion will create future capability and use of the existing Eames Center facilities to further career technical education and research possibilities. In addition, this will allow ISU to utilize the vacated spaces for program expansion in other areas, most notably in Nursing education.

ATTACHMENTS

Attachment 1 – Letter from the PBFAC to SBOE dated August 10, 2018
Attachment 2 - ISU Plan for EAMES showing phases of construction

STAFF COMMENTS AND RECOMMENDATIONS

ISU alerted the Joint Finance Appropriations Committee (JFAC) to the desire to move the funds appropriated for the Gale Life Science building remodel to the EAMES project during the JFAC legislative tour in June 2018. After the appropriation for the Gale Life Science was received, the estimate from the contractor to complete the renovation was significantly higher than the appropriation received. ISU determined that the best use of public funds was to shift those funds from Gale Life Science to another requested project, the remodel of the EAMES Building.

This request was presented to the Permanent Building Fund Advisory Council (PBFAC) at its August 2018 meeting. PBFAC approved the request. ISU will need to also gain JFAC approval for the transfer of funds as the funds were appropriated specifically for the Gale Life Science Building.

Staff recommends approval.

BOARD ACTION

I move to approve Idaho State University's request, pending JFAC approval, to reallocate the \$10M dollars of funding from Gale Life Science to the EAMES project; and to allow Idaho State University to begin construction of Phase I of EAMES Building remodel for moving College of Technology programs at a total project cost not to exceed \$13.3M.

Moved by _____ Seconded by _____ Carried Yes _____ No _____



C. L. "BUTCH" OTTER
Governor
ROBERT L. GEDDES
Director
JAN P. FREW
Administrator

State of Idaho

Department of Administration
Division of Public Works

502 North 4th Street
P.O. Box 83720
Boise, ID 83720-0072

Telephone (208) 332-1900 or FAX (208) 334-4031
Design and Construction
Facilities Services
Leasing
<http://dpw.idaho.gov>

August 10, 2018

State of Idaho Board of Education
P.O. Box 83720
Boise, ID 83720-0037

Re: DPW Project No. 17234
Idaho State University, Gale Life Science Building
Request for re-appropriation of Permanent Building Funds

Dear State Board Members:

Idaho State University made a presentation to the Permanent Building Fund Advisory Council at our August 7, 2018 meeting. The presentation was regarding the Gale Life Science Building on the ISU campus in Pocatello. In 2017, the legislature appropriated \$10 million to the Permanent Building Fund for the master planning and first phase of improvements to the aging Gale Life Science Building. Evaluation and Master Planning efforts were undertaken. As a result of these efforts, it was determined that the desired and necessary renovations would require future funding estimated at \$54 million. Due to the extent of the work required, ISU indicated they are reconsidering the future use of the facility.

The University further indicated that they would like to utilize the \$10 million for planned construction at the Eames Complex. Planning is nearly complete for the anticipated improvements to the facility, and work could begin very soon. ISU would like to request re-appropriation of the \$10 million in the next legislative session.

The Council wishes to express support for this course of action.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dee Jameson".

Dee Jameson, Chairman
Permanent Building Fund Advisory Council

c: Jan P. Frew, Administrator, Division of Public Works
Robert L. Geddes, Director, Dept. of Administration
Matt Freeman, Executive Director, State Board of Education

"Serving Idaho citizens through effective services to their governmental agencies"



BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018

IDAHO STATE UNIVERSITY

SUBJECT

Interim Master Plan for Idaho State University's Idaho Falls Campus, and preliminary easements required for same.

REFERENCE

May 1998

Idaho State Board of Education (Board)
reviewed institution master plans

APPLICABLE STATUTE, RULE, OR POLICY

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

ALIGNMENT WITH STRATEGIC PLAN

The request aligns with the following State Board of Education Strategic Plans:
Goal 2: Educational Attainment. The corresponding Objective is: C: Access.

BACKGROUND/DISCUSSION

Idaho State University (ISU) requests approval for an Idaho Falls Interim Master Plan created in collaboration with the City of Idaho Falls and the Idaho National Laboratory.

ISU participated in discussions and planning session involving the City of Idaho Falls, the University of Idaho, the Idaho National Lab (INL) and members of the Idaho Congressional Delegation. The resulting plan responds to the INL expansion needs and will connect the Idaho State University/University of Idaho Higher Education Center campus north and south of the railroad tracks with the INL, the Center for Advanced Energy Studies, and the under-construction Cybercore and C3 facilities. These connections will be made with a vehicular, bicycle, and pedestrian overpass along our eastern property border, a pedestrian and bicycle underpass extending the greenway along the river, and a pedestrian and bicycle overpass between the INL Willow Creek Building and Engineering Research Office Building.

A presentation will be delivered to Idaho Congressional Delegation mid-November to support federal funding requests for these connections. Access easements will need to be granted by ISU and the Idaho State Board of Education (Board) to the City of Idaho Falls for right of way for the first two connections. This ISU Interim Master Plan includes possible future building sites for future expansion on both Board and ISU Foundation owned properties. These building sites could also accommodate the expansion of the planned and legislatively funded Polytechnic Initiative which is scheduled to increase enrollment to 5,000 in Idaho Falls including 1,000 graduate students.

BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018

IMPACT

This Interim Master Plan envisions future building capability and use of existing facilities to further education and research collaboration possibilities between ISU and the INL. Most importantly, it connects the Higher Education Center and the INL site into a single campus environment. This will promote the continued collaboration between ISU and INL.

ISU is intending to engage in a complete master planning process in the near future. This interim plan will be replaced by the results of that process. However, an interim plan is needed to present to the City of Idaho Falls, the INL and to the Congressional Delegation to seek the funding to carry out the infrastructure development.

ATTACHMENTS

Attachment 1 – Power Point Presentation of the Idaho Falls Interim Master Plan
Attachment 2 – Proposed ISU Interim Master Plan for Idaho Falls

STAFF COMMENTS AND RECOMMENDATIONS

Pursuant to Board Policy V.K. Construction Projects, each institution is required to develop a seven (7) to fifteen (15) year campus master plan. The campus master plan serves as a planning framework to guide the orderly and strategic growth and physical development of an institution's campus. Approval of an institution's campus master plan provides the institution with preliminary approval to explore expansion and development at its campuses.

Approval of this interim master plan will allow ISU to move forward in discussions with the City of Idaho Falls, the INL, and Idaho's Congressional Delegation. Without this approval, discussions about future plans are inhibited as the university cannot represent their intentions as they have not been approved by the university's Board of Trustees.

Staff recommends approval.

BOARD ACTION

I move to approve the Interim Master Plan for Idaho State University's Idaho Falls Campus as proposed in Attachment 2.

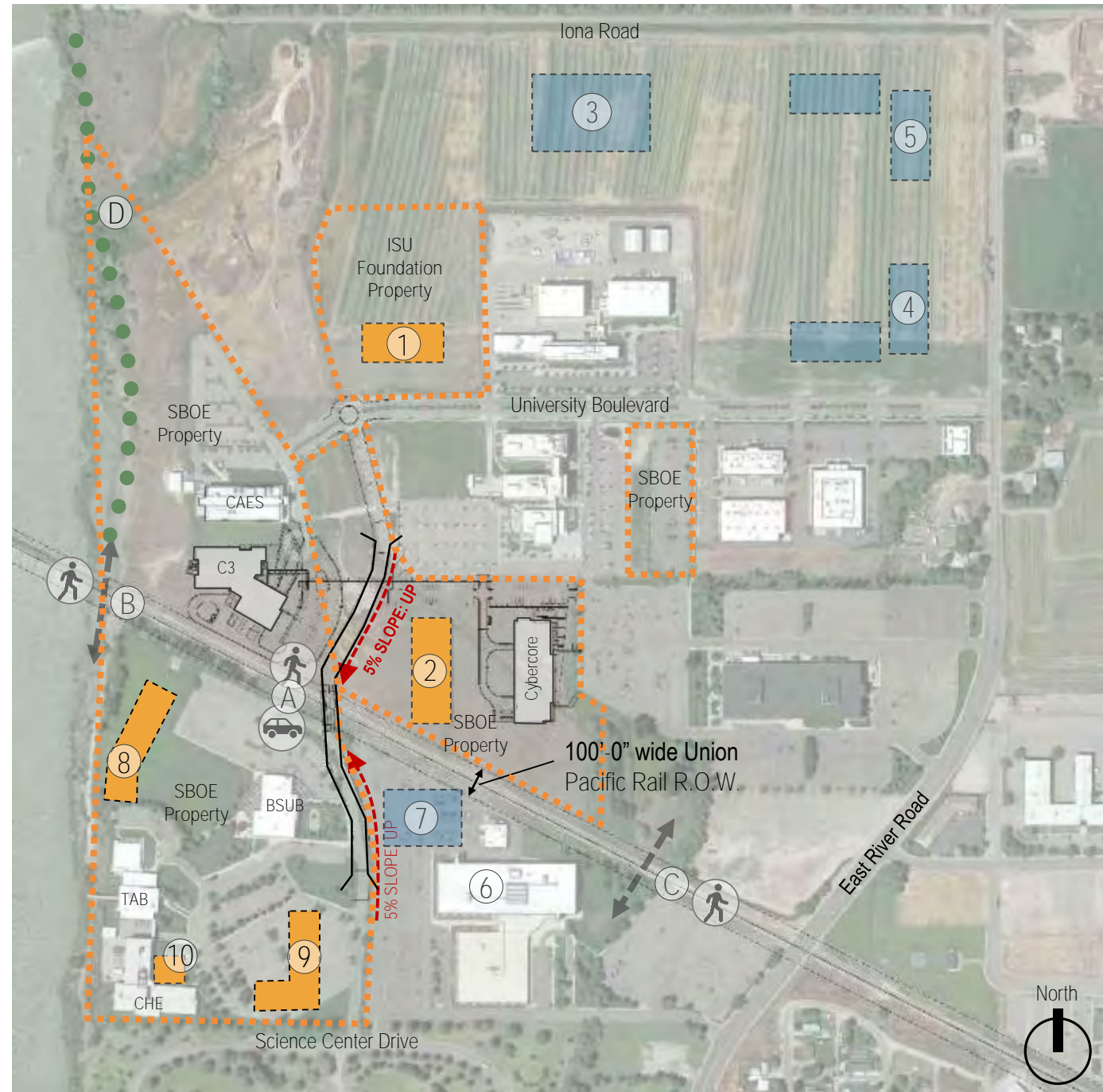
Moved by _____ Seconded by _____ Carried Yes _____ No _____





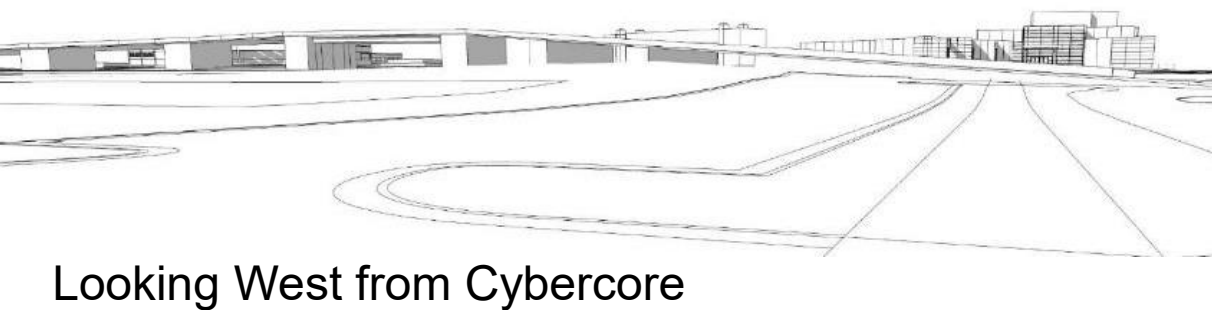
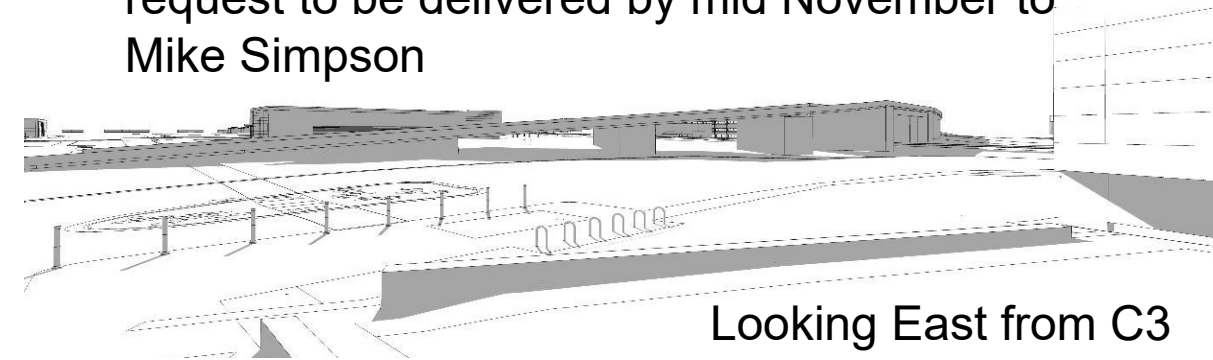
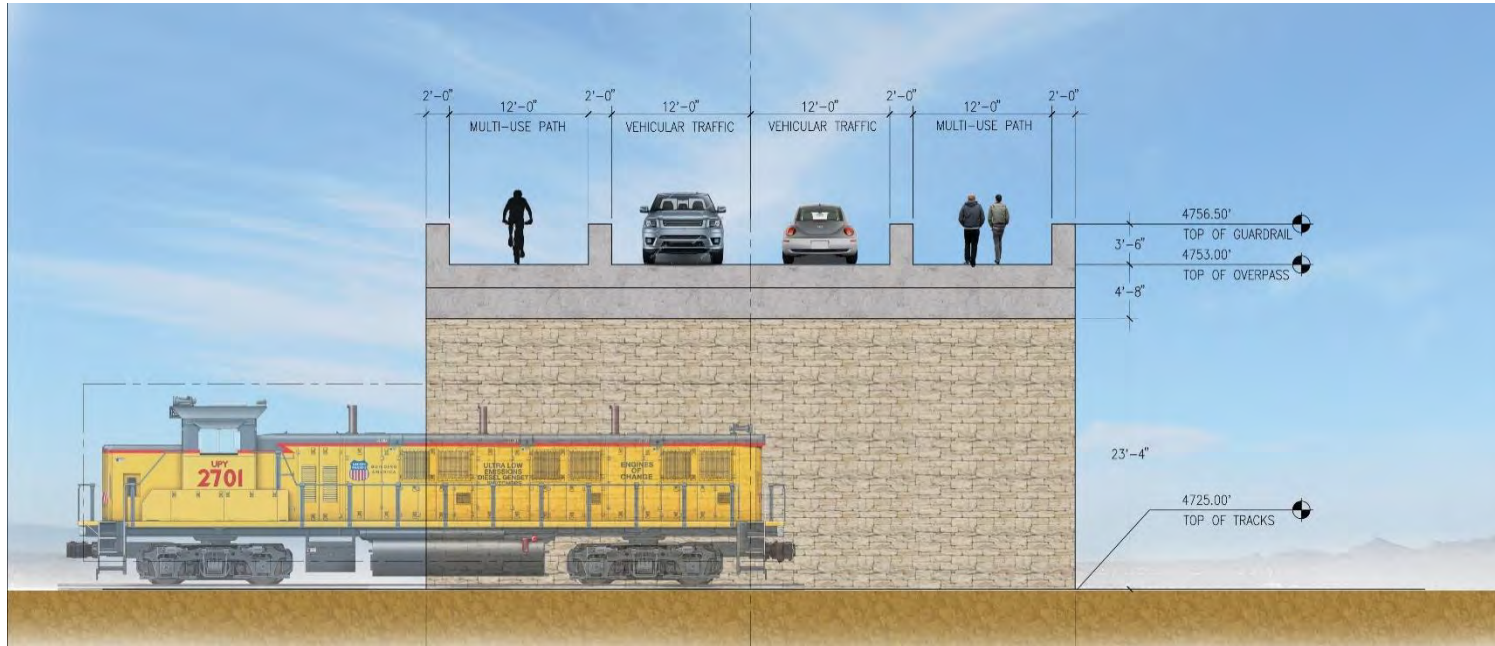
- (A) Connecting overpass with bike lane and sidewalk
- (B) Connecting greenbelt railroad underpass
- (C) Pedestrian overpass
- (D) Idaho Falls greenbelt trail extension
- (1) Academic & Research Facility (supporting ISU Polytechnic Initiative)
- (2) ISU Future (research and collaboration center)
- (3) Advanced Manufacturing Facility
- (4) Research and Educational Support Facility (phase one)
- (5) Research and Educational Support Facility (phase two)
- (6) Repurpose Willow Creek Building (advance education and/or alternative high school)
- (7) Parking garage for south campus area
- (8) Graduate Studies and Research Facility
- (9) Research and Education Campus Visitor and Support Center
- (10) Addition to CHE

----- Properties owned by ISU Foundation or SBOE

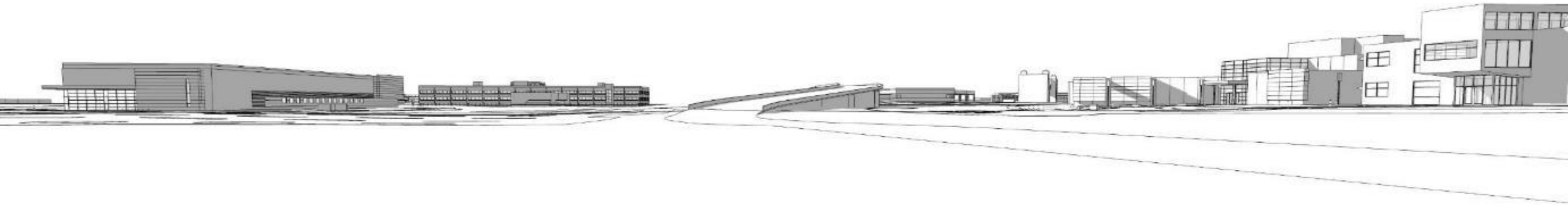


Campus Rail Crossings

- Concept defined for each of the three crossings (One trail underpass, road overpass, the walking bike overpass)
- City of Idaho Falls Public Works is defining cost range and description for funding request to be delivered by mid November to Mike Simpson

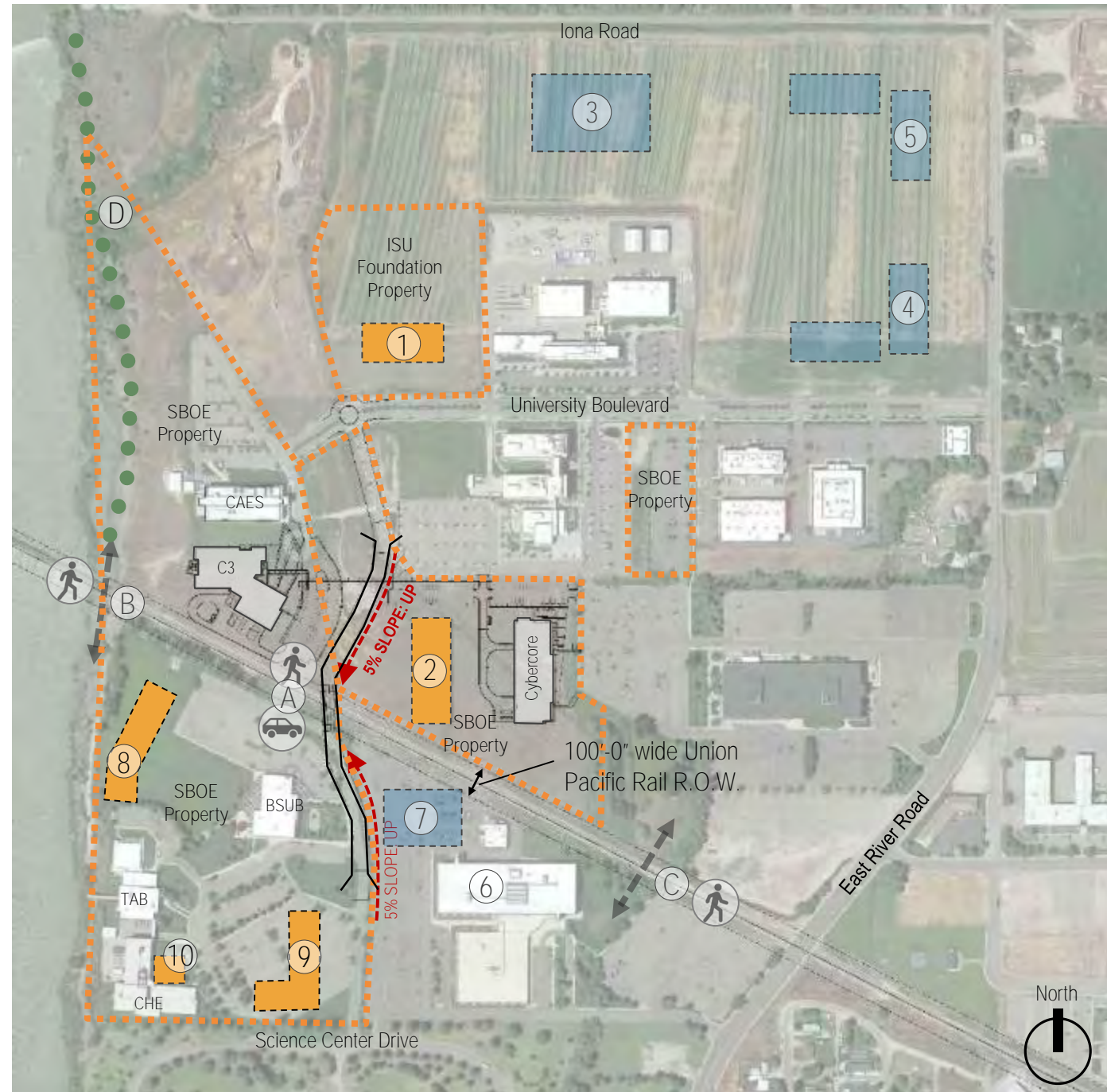


View from University Boulevard looking south



- (A) Connecting overpass with bike lane and sidewalk
- (B) Connecting greenbelt railroad underpass
- (C) Pedestrian overpass
- (D) Idaho Falls greenbelt trail extension
- (1) Academic & Research Facility (supporting ISU Polytechnic Initiative)
- (2) ISU Future (research and collaboration center)
- (3) Advanced Manufacturing Facility
- (4) Research and Educational Support Facility (phase one)
- (5) Research and Educational Support Facility (phase two)
- (6) Repurpose Willow Creek Building (advance education and/or alternative high school)
- (7) Parking garage for south campus area
- (8) Graduate Studies and Research Facility
- (9) Research and Education Campus Visitor and Support Center
- (10) Addition to CHE

----- Properties owned by ISU Foundation or SBOE



BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018

SUBJECT

Huron Consulting Report

REFERENCE

September 29, 2017 The Idaho State Board of Education (Board) adopted the Higher Education Task Force recommendations, including recommendation to increase systemness.

APPLICABLE STATUTE, RULE, OR POLICY

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

ALIGNMENT WITH STRATEGIC PLAN

The agenda item aligns with the following State Board of Education Strategic Plans:

Goal 1: Educational System Alignment

Goal 2: Educational Attainment

BACKGROUND/DISCUSSION

Governor Otter convened the Task Force for Higher Education in February 2017. The Board adopted the Task Force recommendations at a Special Board Meeting September 29, 2017. The final report included 12 recommendations designed to improve delivery and efficiency of the education system in Idaho. Recommendation 1 was as follows:

- We recommend 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.

During the 2018 legislative session, \$250,000 was appropriated to fund a study to identify potential areas of improvement and provide recommendations on strategies to accomplish Recommendation 1. Huron Consulting was selected through a competitive bid process. A Governor's office directive was given to have the study completed prior to the end of the calendar year. The study was conducted in full cooperation with Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho.

IMPACT

Huron will present to the Board strategies and the potential savings and efficiencies they have identified through their analysis.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 20, 2018**

ATTACHMENTS

Attachment 1 – Huron final report

STAFF COMMENTS AND RECOMMENDATIONS

The intent of this agenda item is for the Board to engage in a discussion with the consultants. While the Board will be presented with particular strategies, it is not anticipated that the Board will take action on those strategies at this time. Individual strategies will be brought back to the Board, based on Board direction, through the applicable Board committees.

BOARD ACTION

This item is for informational purposes only.



IDAHO STATE BOARD OF EDUCATION

ADMINISTRATIVE REVIEW & CONSOLIDATION ASSESSMENT

FINAL REPORT



SECTIONS

- 1 Objectives and Context
- 2 Roadmap Summary
- 3 Analyses
- 4 Appendix

1

OBJECTIVES AND CONTEXT

OBJECTIVES

ENGAGEMENT AND DELIVERABLE GOALS

Engagement Objectives:

1. Assess current state of administrative operations for the four in-scope institutions: Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho.
2. Identify opportunities for increased efficiency and effectiveness and estimate attendant cost savings.
3. Provide recommendation to the Board as to whether the state should pursue consolidation of administrative operations including guidance regarding scope and sequence of implementation.

Report Contents:

1

Context

This report includes context regarding the four institutions, stated goals, and the operational landscape that has helped to shape our approach

2

Roadmap

Our report includes a starting-point roadmap for ISBOE that includes near-term considerations, enabling steps, and long-term opportunities

3

Analysis

We provide analysis supporting the roadmap and recommendations capturing both efficiency opportunities and related savings estimates

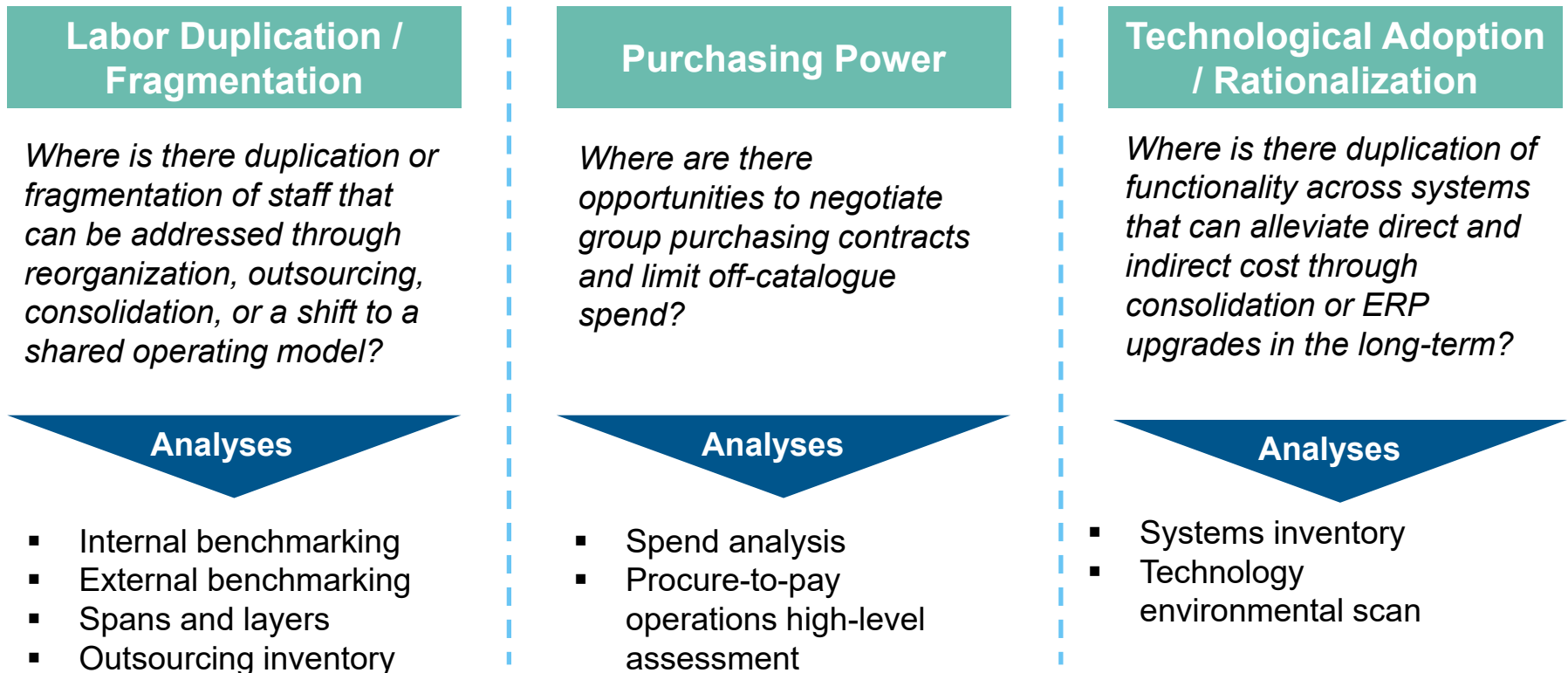
Notes on Analysis

- Savings estimates do not account for required financial or capacity investments
- Metric-grounded opportunities do not account for variability in current service levels

HURON'S APPROACH

TARGETED PURSUIT

Huron's outlined approach included assessing each institution for opportunities to collaborate or consolidate across three areas: workforce, purchasing, and enterprise systems.



For each of these areas, Huron outlined near-term, intermediate-term, and long-term opportunities. Huron also analyzed opportunities surfaced during stakeholder interviews.

HIGHER EDUCATION “SYSTEMNESS”

ADMINISTRATIVE OPERATIONS AS A PIECE OF A LARGER PUZZLE

Huron’s charge to assess opportunities for administrative (“back office”) consolidation keeps in mind the broader considerations of moving to system-like operations.

Institutional Administrative Operations

How are administrative operations organized for optimal efficiency, effectiveness, and service faculty, students, and staff?



Scope of ISBOE

What is the role of the Board? How are the institutions governed to optimize “systemness”?



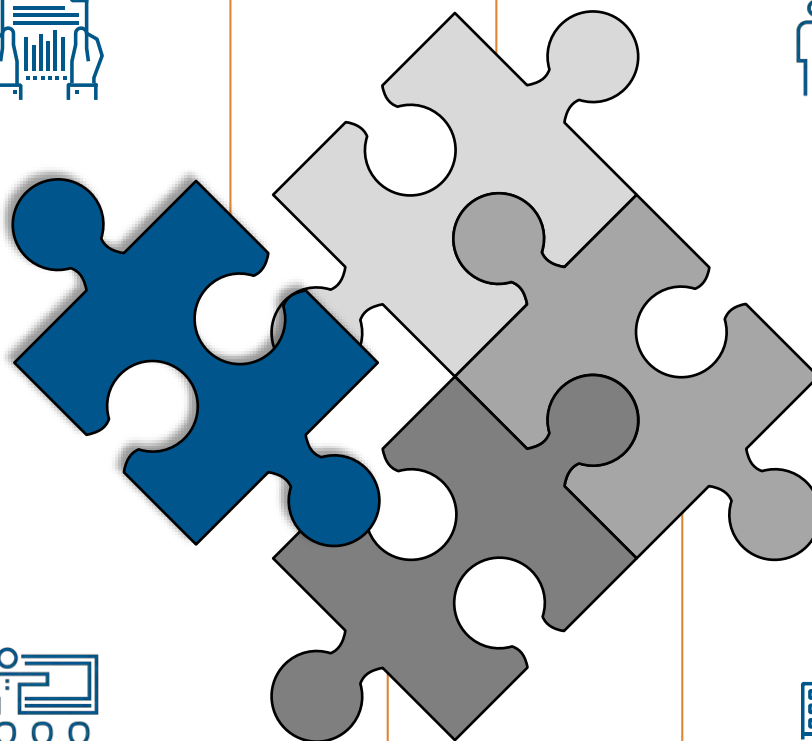
Community Colleges

How are community colleges integrated to maximize access, improve time to graduation, and limit student debt?



Academics

How are institutions aligned to optimize student outcomes, research productivity, and innovation?



ALIGNING TACTICS AND GOALS

STRATEGIES FOR ACHIEVING ECONOMIES OF SCALE

The Board's charge is to focus on inter-University *partnerships* and consolidation, but these opportunities should be evaluated as part of a full spectrum of strategies for efficiency gains.

Strategies for Scale

(A) Self-Assessment

(B) Partnership

(C) Integration

What are the opportunities for efficiencies within each institution?

- Program / portfolio mgmt.
- Workforce mgmt. (structure and comp.)
- Procurement / sourcing
- Resource allocation (budgeting / costing)
- Revenue mgmt. / pricing
- Asset mgmt.

What are the opportunities to achieve additional scale through partnership?

- Shared policies and governance
- Shared purchasing efforts and contracts
- Shared labor support for commodity transaction activities
- Co-location – shared physical assets

How is scale optimized through merged entities?

- Single management structure
- Maximum deduplication of support structures
- Integrated portfolio rationalization
- Integrated growth strategies

2

ROADMAP SUMMARY

ROADMAP OVERVIEW (1/4)

KEY FINDINGS GUIDING ROADMAP DEVELOPMENT

Stakeholder interviews and data analysis revealed several key findings that have shaped our approach to developing a roadmap for the Board and the four institutions.

- 1 Individual efforts to consolidate staff have taken place but narrow spans still exist at some layers across all institutions – more than **940 supervisors have three or fewer direct reports.**
- 2 Despite expanded delegated purchasing authority, **shared vendor contracts and strategic approaches to sourcing across institutions remain uncommon.**
- 3 Three of the four institutions use on-premise ERPs that will **require an upgrade to a cloud-based platform** in the next 5-10 years.*
- 4 The four institutions have adopted a collaborative approach to problem-solving and information sharing but **lack formal structure that can enable increases in efficiency and reduce cost.**

*Note: BSU is currently using Oracle Cloud for financials, transitioning to a cloud-based ERP for HR, and using an on-premise SIS.

ROADMAP OVERVIEW (2/4)

OPPORTUNITY CATEGORIES AND DEFINITIONS

Several efforts should be pursued regardless of several outlined foundational decisions. Pending priority decisions, sequenced projects serve as enablers for downstream efforts.

Priority Steps / Opportunities

Foundational Decisions

- Strategic decisions related to a transition to a single ERP, the long-term delivery mechanism for shared / centralized services, and potential integrations that shape the roadmap

Priority Pursuits

- Opportunities to address “within the walls” of each institution;
- Broad cross-institutional support exists;
- Forward-looking planning

Contingent Opportunities

Analysis Driven

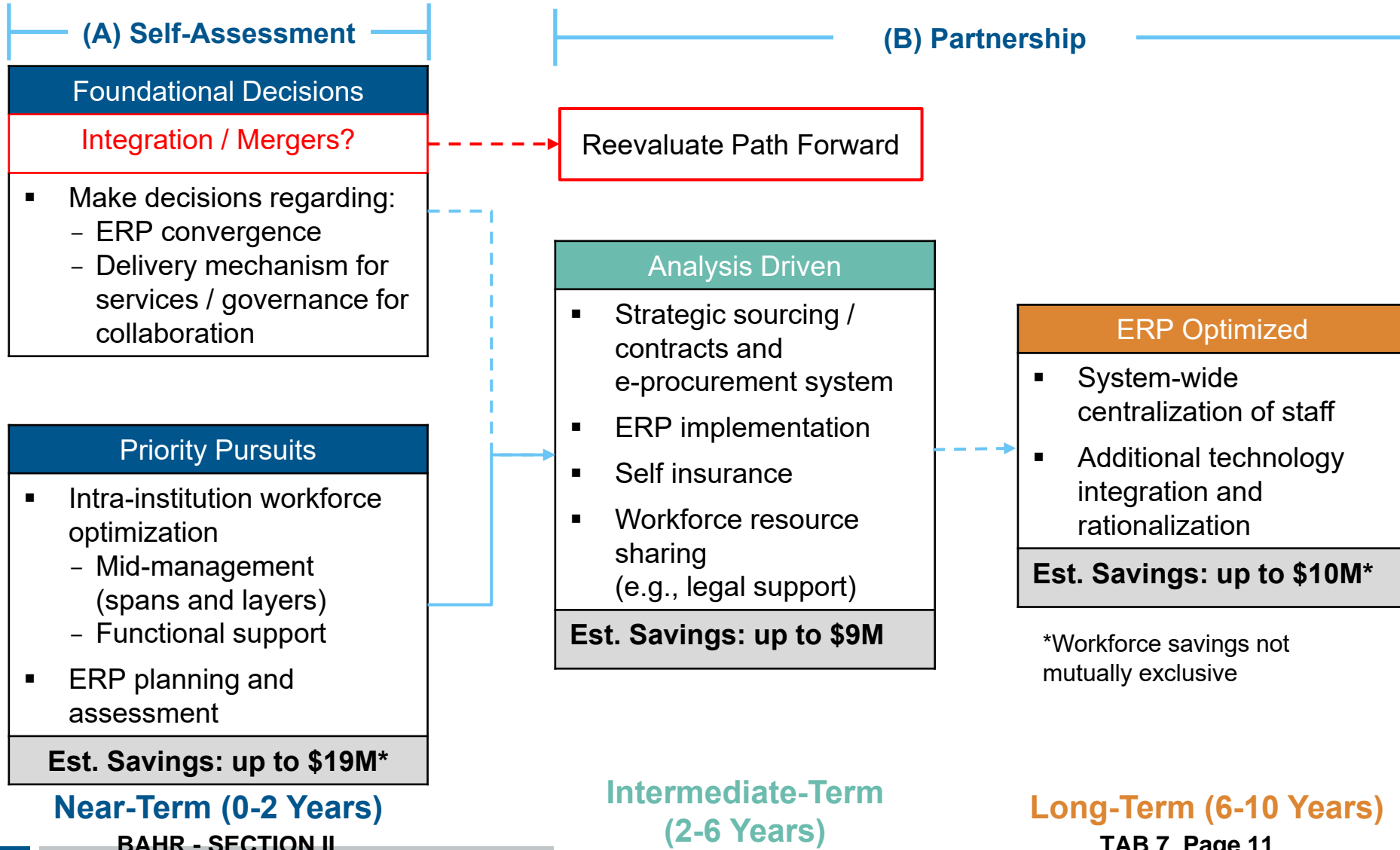
- Projects to be pursued if supported by both **foundational decisions** and **business case assessments**

ERP Optimized

- Best supported by transition to a single ERP in order to maximize efficiencies

ROADMAP OVERVIEW (3/4)

OPPORTUNITIES, SEQUENCING, AND ESTIMATED SAVINGS



ROADMAP OVERVIEW (4/4)

OPPORTUNITIES / BENEFITS REQUIRING FURTHER ANALYSIS

Quantified opportunities (up to \$38M) in the roadmap do not include (1) opportunities requiring further analysis, (2) non-financial benefits, and (3) opportunities not yet analyzed.

1 Opportunities in Roadmap with Unquantified Savings

1. Leverage resource capabilities to fill gaps (e.g., General Counsel, Internal Audit)
2. Centralize technology infrastructure (non-labor)
3. Rationalize enterprise applications
4. Reduction in effort from limiting number of P-Cards in circulation

2 Non-Financial Benefits of Opportunities in Roadmap

1. **Risk mitigation** through centralized IT security, improved data governance, and limited p-card use
2. **Service delivery** to faculty and staff through standardized processes and roles
3. **Improved decision support** from improved data management and reporting

3 Opportunities Surfaced During Stakeholder Interviews Not Yet Analyzed

1. Outsource bookstore (expand existing Follett contract)
2. Outsource fleet management
3. Shared library contracts and consortia memberships
4. Consolidate instructional design for online programs
5. Shared tech transfer

Additional overview of these opportunities can be found in section 3E.

NEAR-TERM PRIORITIES

FOUNDATIONAL DECISIONS

Strategic decisions related to a the long-term delivery mechanism for shared / centralized services, transition to a single ERP, and potential integration shape the roadmap.

If the Board pursues...	Implications for Roadmap	Roadmap Assumptions
Governance Bodies / Delivery Mechanism* →	<ul style="list-style-type: none"> Steps required to establish: <ul style="list-style-type: none"> ISBOE as service provider System office 501(c)3 Peer provider →	<ul style="list-style-type: none"> Potential required legislation is not an obstacle Decision is TBD
Transition to a single ERP over time →	<ul style="list-style-type: none"> Enablement of long-term opportunities Defer system-wide staff centralization →	<ul style="list-style-type: none"> ISBOE will pursue convergence of ERP over time
Institutional Integration →	<ul style="list-style-type: none"> Would require revisiting of proposed scope and sequence of initiatives →	<ul style="list-style-type: none"> Roadmap assumes mergers are not being considered at this time

*Detail regarding governance and delivery mechanisms can be found on pages 14 and 15.

FOUNDATIONAL DECISIONS

GOVERNANCE AND POLICY ALIGNMENT

In the near-term, the role of chosen delivery mechanism will focus on governance, policy management, and a program management office.



Governance

- Integrated governance aligns strategy with academic and business priorities across the four institutions.
- A commonly governed approach to continuous improvement allows for efficiencies to be maximized across institutions.



Policy

- Alignment of policies across institutions enables effective collaboration and streamlining of operations.
- Common policies promote standardization of operations and reduce the risk of conflict in interpretation and approach.



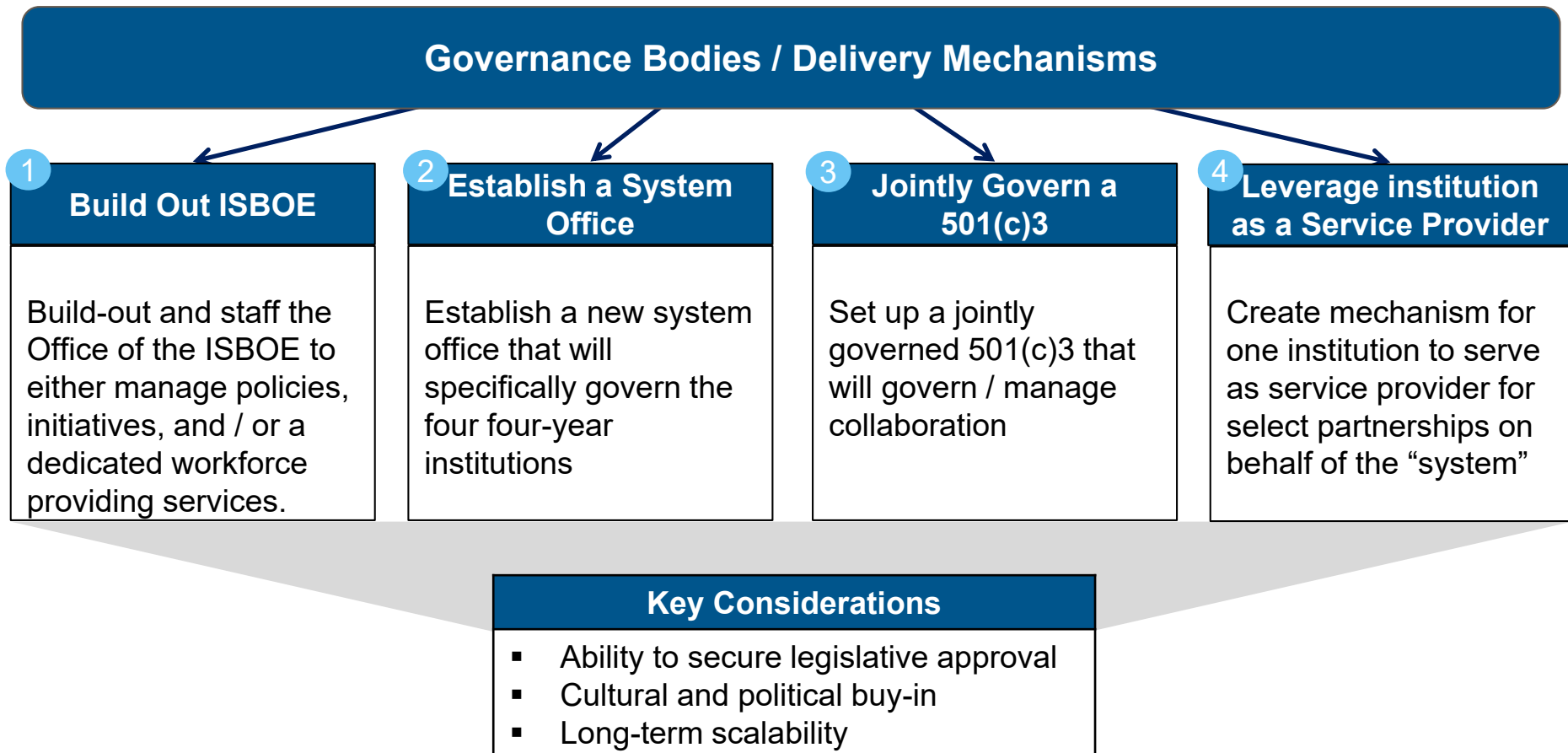
Pgrm. Management Office (PMO)

- Shared program management ensures consistency in implementation of strategy across the four institutions.
- A single PMO supports capacity building for large-scale projects.

FOUNDATIONAL DECISIONS

GOVERNANCE BODIES / DELIVERY MECHANISMS

Partnership efforts will require new, or reconfigurations of existing governance structures. The below framework outlines possible delivery mechanisms.



NEAR-TERM OPPORTUNITIES

PRIORITY PURSUITS

Each of the institutions may prioritize optimizing workforce structure “within their walls” in the near-term in addition to beginning planning for transitions to cloud-based ERP systems.¹

Priorities	Est. Savings Opportunity	Report Section
Intra-Institution Workforce Optimization – Middle-Management (Spans and Layers) Optimize mid-level manager footprint by improving average span of control (i.e. number of direct reports) within each institution.	\$4.1M-\$11.3M ²	3B.3
Intra-Institution Workforce Optimization – Functional Support Staff³ Optimize support staffing levels at each institution based on internally benchmarked (leading metric among three largest Idaho institutions) operating ratios.	\$4.6M-\$8.4M ²	3B.4
ERP Assessment and Planning¹ Assess current ERP environment and draft plan for integration through subsequent cloud upgrades.		3D.2
TOTAL (Excluding \$1M Overlap in Estimates)	\$8.2M-\$18.7M²	

Notes:

1. Boise State University has already completed much of this exercise for their institution, including ongoing implementation efforts for finance and HR modules.
2. Estimates are not mutually exclusive. Total accounts for estimated \$1M in overlap.
3. Includes savings from internal benchmarking of functional staff and generalists shown on pages 18 and 20.

PRIORITY PURSUITS

MIDDLE-MANAGEMENT OPTIMIZATION (SPANS AND LAYERS)

In Huron's experience, institutions with comparable average spans of control to the Idaho institutions (3.1-4.0) may improve 0.25 to 0.75 through targeted reorganization.

	BSU	ISU	LCSC	UI	Total
Current Headcount¹	2,014	1,116	280	1,685	5,095
Current Supervisors	552	288	69	540	1,449
Current Span of Control	3.7	3.9	4.0	3.1	N/A
Est. Supv. at Span + 0.25*	538	282	68	522	1,410
Opportunity (\$) at Span + 0.25*	\$1.5M	\$0.7M	\$0.1M	\$1.8M	\$4.1M
Est. Supv. at Span + 0.75*	515	268	67	492	1,342
Opportunity (\$) at Span + 0.75*	\$3.9M	\$2.3M	\$0.2M	\$4.9M	\$11.3M

*Note: All estimates shown above (number of supervisors and associated opportunity) represent a 50% reduction from original estimates.

Estimates assume that 50% of the change in supervisors will transition out of the organization while 50% will reclassify over time to non-managerial roles. Additional details in Section 3B.3.

1. Headcount is derived from personnel file, and **excludes faculty and athletic admins**, as well as student, temporary, and retired employees.
2. Only layers with an average span below 4.0 are increased as part of our savings estimate.

PRIORITY PURSUITS

FUNCTIONAL SUPPORT STAFFING LEVELS OPTIMIZATION

Huron internally benchmarked the Idaho institutions against the “most efficient performer” for several metrics and estimated the savings from all institutions performing at this level.

Functional Area *	Operating Metric	Ratio of Highest-Performing Institution ^{1,2}	Total FTE Above Best Ratio	Potential Savings
Finance	OpEx/ Finance FTE	\$4.4M:1	25.6	\$1.2M-\$1.8M
Human Resources	Employees/ HR FTE	251.7:1	30.7	\$1.7M-\$2.6M
Research Administration	Research Exp/ Post-Award FTE	\$3.9M:1	6.5	\$400K-\$600K
Information Technology	Institutional FTE/ Tier 1 FTE	433.2:1	17.1	\$900K-\$1.4M
Total				\$4.2M-\$6.4M

**Ratios do not account for business support FTE with “generalist” titles whom likely perform fractional FTE portions of the business support functions above.*

Details regarding methodology and supporting analyses are included in section 3B.4.

PRIORITY PURSUITS

SUPPORT STAFF CONSOLIDATION: GENERALISTS

Staffing ratios do not include multi-function “generalists,” that in Huron’s experience spend 15% to 40% of their effort on business support activities (e.g., finance, HR).

Estimated Generalist Effort ¹	
Finance	10%-25%
Human Resources	5%-10%
Research Admin.	0%-5%
Estimated % Functional Support	15%-40%
Admin + Other	60%-85%
Generalist FTE	493.4 FTE
Generalist FTE Providing Functional Support	74.0-197.3 FTE

Example Generalist Titles	
Management Assistant	Office Assistant
Office Specialist	Business Manager
Administrative Coordinator	Office Manager
Program Assistant	Administrative Assistant

Additional analysis is required to understand the fragmentation of *generalist* effort at each institution, which is likely to vary.

PRIORITY PURSUITS

SUPPORT STAFF CONSOLIDATION: GENERALISTS

Savings from the *generalist* staff segment would be harnessed through functionally aligning roles and normalizing staffing ratios to align with internal (Idaho) and external benchmarks.

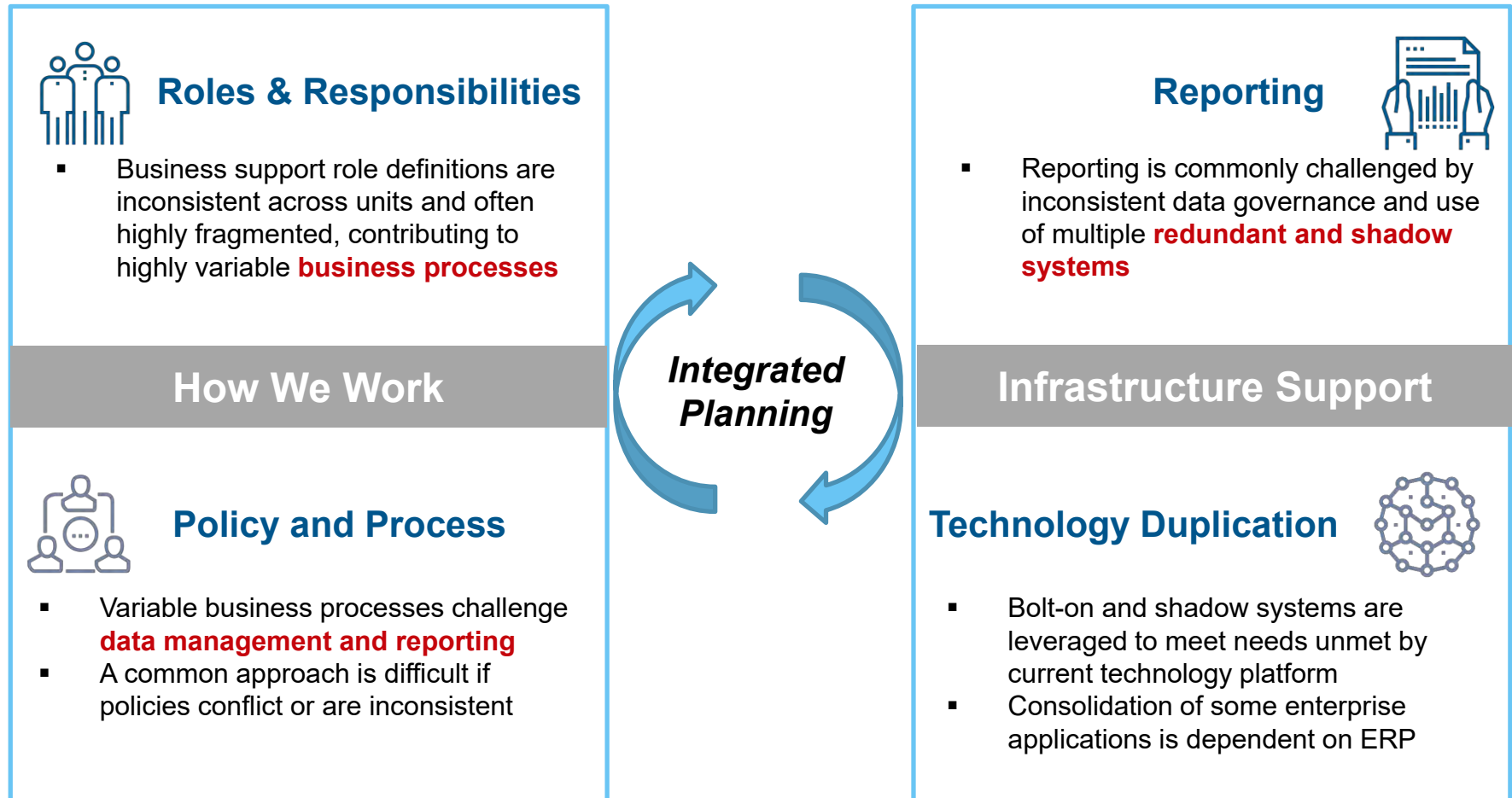
Institution	Generalist FTE	Total Salary + Benefits	FTE Providing Functional Support (15%-40% of Total)	Target % Savings of Functional Support	Potential Savings ¹
BSU	173.2	\$9.8M	26.0-69.3	10%-20%	\$150K-\$800K
ISU	143.8	\$7.7M	21.6-57.5	10%-20%	\$100K-\$650K
UI	122.8	\$6.7M	18.4-49.1	10%-20%	\$100K-\$550K
LCSC	53.5	\$2.9M	8.0-21.4	10%-20%	\$50K-\$250K
Total	493.4	\$27.1M	74.0-197.3	---	\$400K-\$2M

Based on experience with other institutions, a 10%-20% savings opportunity in generalist functional support is achievable, totaling **\$0.4M-\$2.0M** across the four institutions.

PRIORITY PURSUITS

ERP ASSESSMENT AND PLANNING

Two or three of the institutions likely need to upgrade their ERP in the intermediate-term. An assessment and planning process should integrate operations tied to the move to the cloud.



INTERMEDIATE-TERM OPPORTUNITIES

ANALYSIS DRIVEN

Using the governance/delivery mechanism defined in *foundational decisions*, institutions may pursue shared contracts and collaborative implementation of cloud-based ERPs.

Opportunity	Est. Savings Opportunity	Report Section
Strategic Sourcing and eProcurement Negotiate vendor agreements / contracts across institutions and implement eProcurement system housing shared catalogs for jointly negotiated pricing and contracts.	\$3.1M-\$6.6M	3C.3
ERP Implementation Migrate all institutions to a shared cloud-based ERP for finance, HR, and student information.	[Enabler]	3D.2
Self-Insurance Decouple from state health insurance and migrate all institutions to shared self-insurance plan or University of Idaho's plan.	\$0-\$2.2M	3E.2
Workforce Resource Sharing Capabilities Leverage institutional strengths to address gaps for other institutions (e.g., legal support at LCSC)	[TBD]	N/A
TOTAL	\$3.1M-\$8.8M	

ANALYSIS DRIVEN

STRATEGIC SOURCING OPPORTUNITIES (1/3)

Addressable spend represents 63% of total non-labor OpEx and presents material savings opportunities through sourcing activities such as contract negotiation, discounts, and rebates.

Estimated Savings Opportunities

● Easy ● Medium ● Difficult

Level 1 Category	Level 2 Category	FY18 Spend (\$K)	Complexity	Opportunities (%)	Opportunities (\$K)
Administrative					
	Document Services	\$1,340	●	2% - 4%	\$27 - \$54
	General Retail	\$4,493	●	2% - 4%	\$90 - \$180
	Office-Related Products	\$3,577	●	8% - 10%	\$286 - \$358
	Shipping & Logistics	\$1,869	●	3% - 6%	\$56 - \$112
Scientific & Medical Supplies					
	Medical Supplies and Equipment	\$2,035	●	3% - 5%	\$61 - \$102
	Scientific Supplies and Equipment	\$12,220	●	8% - 11%	\$978 - \$1,344
	Clinical Support Services	\$2,051	●	0% - 2%	\$0 - \$41
	Health Information Management	\$190	●	0% - 2%	\$0 - \$4
	Laboratory Services	\$741	●	0% - 2%	\$0 - \$15
Facilities					
	Furniture	\$1,594	●	2% - 6%	\$32 - \$96
	Maintenance & Repair Products	\$7,159	●	7% - 9%	\$501 - \$644
	Maintenance & Repair Services	\$3,400	●	1% - 3%	\$34 - \$102
	Construction	\$17,945	●	Lower opportunity requiring extensive planning involving complex and lengthy strategic sourcing processes.	
	Fleet	\$2,717	●		
	Real Estate	\$2,825	●		
	Utilities	\$23,512	●		
Potential Savings Subtotal		\$87,668			\$2,065 - \$3,051

Of total addressable spend, this subset of categories presents the greatest opportunity for cost savings and should be prioritized – up to **\$3.1M** out of a total opportunity of **\$6.6M**.

ANALYSIS DRIVEN

STRATEGIC SOURCING OPPORTUNITIES (2/3)

Additional opportunities for cost savings exist across the remaining categories, although they may require a greater level of effort to achieve.

Estimated Savings Opportunities

● Easy ● Medium ● Difficult

Level 1 Category	Level 2 Category	FY18 Spend (\$K)	Complexity	Opportunities (%)	Opportunities (\$K)
Information Technology					
	Audio & Visual	\$2,223	●	1% - 5%	\$22 - \$111
	IT Hardware	\$8,841	●	5% - 8%	\$442 - \$707
	IT Services	\$10,696	●	1% - 5%	\$107 - \$535
	Software	\$6,610	●	1% - 5%	\$66 - \$331
	Telecommunications	\$1,972	●	1% - 3%	\$20 - \$59
Travel					
	Agency	\$614	●	1% - 3%	\$6 - \$18
	Air Travel	\$4,907	●	1% - 4%	\$49 - \$196
	Entertainment	\$4,317	●	0% - 2%	\$0 - \$86
	Ground Transportation	\$2,325	●	1% - 3%	\$23 - \$70
	Lodging	\$6,885	●	1% - 3%	\$69 - \$207
Food Service					
	Catering	\$1,207	●	2% - 3%	\$24 - \$36
	Food Service Management ¹	\$16,913	●	1% - 6%	\$169 - \$1,105
	Food Service Products	\$1,136	●	1% - 3%	\$11 - \$34
Other					
	Athletic Products	\$2,855	●	1% - 4%	\$29 - \$114
Potential Savings Subtotal		\$71,501			\$1,038 - \$3,520

Spend on IT, travel, and food service represents up to **\$3.5M** out of a total opportunity of **\$6.6M**.

ANALYSIS DRIVEN

STRATEGIC SOURCING OPPORTUNITIES (3/3)

Additional categories of spend are not included in our cost savings analysis due to the complexity involved in modified approaches to sourcing.

Estimated Savings Opportunities

● Easy ● Medium ● Difficult

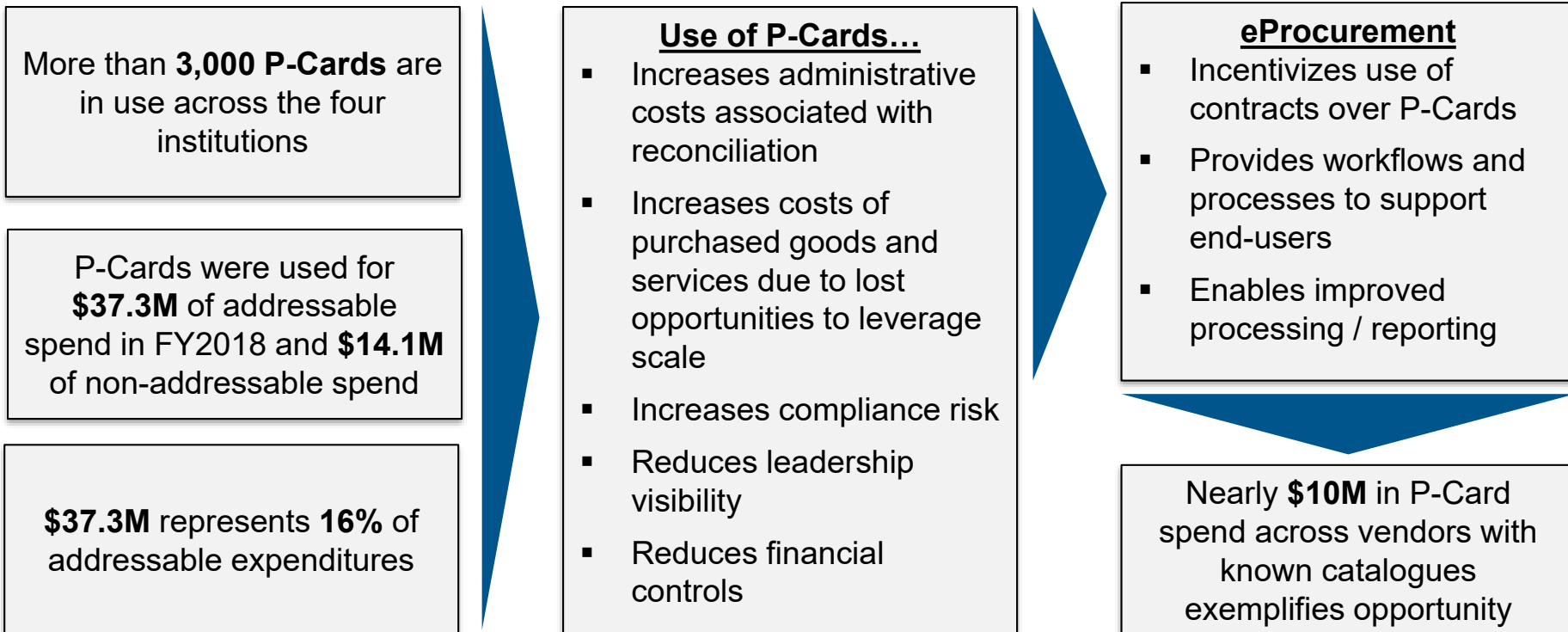
Level 1 Category	Level 2 Category	FY18 Spend (\$K)	Complexity	Opportunities (%)	Opportunities (\$K)
Professional Services					
	Accounting	\$475	●	Lower opportunity requiring extensive planning involving complex and lengthy strategic sourcing processes.	
	Legal Services	\$807	●		
	Management Consulting	\$2,173	●		
	Marketing	\$4,722	●		
	Other Professional Services	\$7,645	●		
	Staffing	\$1,488	●		
Library Resources					
	Books	\$5,033	●	Lower opportunity requiring extensive planning involving complex and lengthy strategic sourcing processes.	
	Databases	\$1,693	●		
	Serials	\$7,107	●		
Financial Services					
	Banking and Investment	\$37,543	●	Lower opportunity requiring extensive planning involving complex and lengthy strategic sourcing processes.	
	Benefits	\$3,051	●		
	Insurance	\$1,157	●		
	Other Financial Services	\$176	●		
Potential Savings Subtotal		\$73,070		TBD	
Potential Savings Total				\$3,102 - \$6,570	

Of **\$232.2M** in addressable spend, savings estimates total **\$3.1M-\$6.6M**, not including marginal opportunities in professional and financial services and library resources.

ANALYSIS DRIVEN

E-PROCUREMENT IMPLEMENTATION

Implementation of a common eProcurement system will reduce manual processes and mitigate off-contract or rogue spend.



Note: Additional information can be found in Sections 3C.1-3C.5.

Shifting a portion of the combined total \$37.3M in addressable P-Card spend to contract spend represents improved risk mitigation in addition to potential savings.

ANALYSIS DRIVEN

SELF-INSURANCE

Self-insurance emerged as a theme during stakeholder interviews and is already a strategy employed by the University of Idaho.

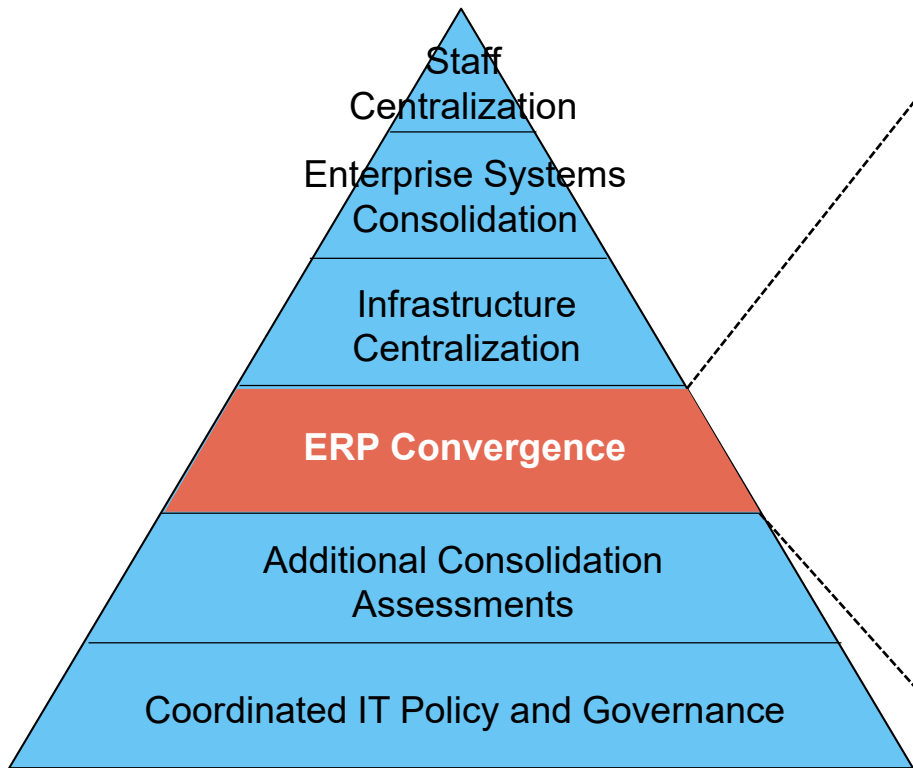
	Current Premium Expenditure (Medical and Dental)	Self-Insurance Premium Expenditure (High Savings Estimate)
BSU	\$32.2M	\$31.0M
ISU	\$22.3M	\$21.5M
LCSC	\$6.1M	\$5.9M
UI	---	---
TOTAL	\$60.6M	\$58.4M
	EST. SAVINGS (UP TO):	\$2.2M

Premium savings estimates of up to **\$2.2M** annually are based on alignment with the University of Idaho's self-insured plan and require further assessment to validate.

ANALYSIS DRIVEN

ERP CONVERGENCE

Given two or three of the institutions likely need to upgrade to cloud-based platforms in the near-future, there is an opportunity to converge into a single environment.



Benefits of ERP Convergence

- Improved data integrity, including backups, and an associated reduction in overall institutional risk through reduction in duplicative systems and shadow systems
- Expanded reporting capabilities both within and across institutions to support decision-making and compliance
- Adoption of standardized and best-in-class business processes across institutions
- Reduced licensing costs via shared contracts
- Centralization of systems administration support staff

Challenge: Coordinated transition to a single ERP environment, while promoting many benefits, is more complex than independently managed upgrades.

LONG-TERM OPPORTUNITIES

ERP OPTIMIZED

Long-term opportunities are more complex and will require a significant time investment to build on foundational steps, overcome political challenges, and develop institutional buy-in.

Opportunity	Est. Savings Opportunity	Report Section
Staff Centralization Centralize selected functional support staff (e.g., Finance, Human Resources, IT, and Research Administration) across institutions.	\$6.9M-\$9.8M ¹	3B.5
Additional Technology Integration / Rationalization Find commonalities and standardize infrastructure, applications, and audit the number of existing licenses to enable further staff consolidation.	TBD	3D.4
TOTAL	\$6.9M-\$9.8M¹	

ERP OPTIMIZED

SUPPORT STAFF CENTRALIZATION BASED ON LEADING METRICS

In the long-term, centralizing functional support staff would provide the opportunity for the four institutions to drive toward leading practice industry benchmarks.¹

Functional Area	Metric	Industry Leading Benchmark Ratio	FTE Savings Above Internal Benchmark Optimization	Potential Savings
Finance	OpEx/Finance FTE	\$5.5M ² :1	46.2 FTE	\$2M-\$3.4M
Human Resources	Institutional Headcount/HR FTE	200.0:1 ³	---	
Research Administration	Research Exp/Post-Award FTE	\$8.0M:1	15.5 FTE	\$900K-\$1.4M
Information Technology	Labor as a % of IT Budget ⁴	40.4%	N/A	\$4M-\$5M ⁵
Total				\$6.9M-\$9.8M⁵

Notes

¹ Industry Leading Benchmark Ratios are based on Huron's observation of leading practices in higher education along with cross-industry surveys.

² Huron does not recognize and benchmark for sizing full finance functions. \$5.5M represents an improvement on the internal benchmark of \$4.4M.

³ Internal benchmark currently exceeds industry benchmark indicating limited additional opportunity.

⁴ Near-term opportunity focused on Tier 1 support. Long-term consolidation may consider the whole IT function. For this purpose we referenced the *Computer Economics* 2017 IT Spending & Staffing Benchmarks for midsize organizations.

⁵ Savings estimates shown here represent marginal savings over near-term opportunities. Full savings estimates are shown on pages 33 and 64.

If all four institutions move staffing levels to industry leading benchmark ratios, we estimate **\$6.9M-\$9.8M** in savings. Additional analysis can be found in section 3B.5.

ERP OPTIMIZED

TECHNOLOGY INTEGRATION

Integrating and rationalizing technology across institutions will allow for efficiencies through the consolidation of licenses, support staff, and infrastructure.

Technology Rationalization and Integration will set the foundation for...



Infrastructure Standardization
Standardization and consolidation of technology infrastructure will:

- Reduce institutional risk profile
- Enable consolidation of support staff
- Optimize acquisition and maintenance costs

Reduction in Licensing Costs
Standardization of systems will provide opportunities to consolidate licenses for:

- Learning Management Systems
- Customer Relationship Management
- Enterprise Resource Planning software
- Student Information Systems

Consolidation of Staff
Shared systems and processes are prerequisites for sharing services such as:

- Tier 1 Helpdesk Support
- Server administration
- Systems administration

ERP OPTIMIZED

SYSTEMS RATIONALIZATION^{1,2}

The green-colored cells portray common systems across the four institutions. The total annual spend on licensing across the four institutions is \$11.5M (see Section 3D.3).

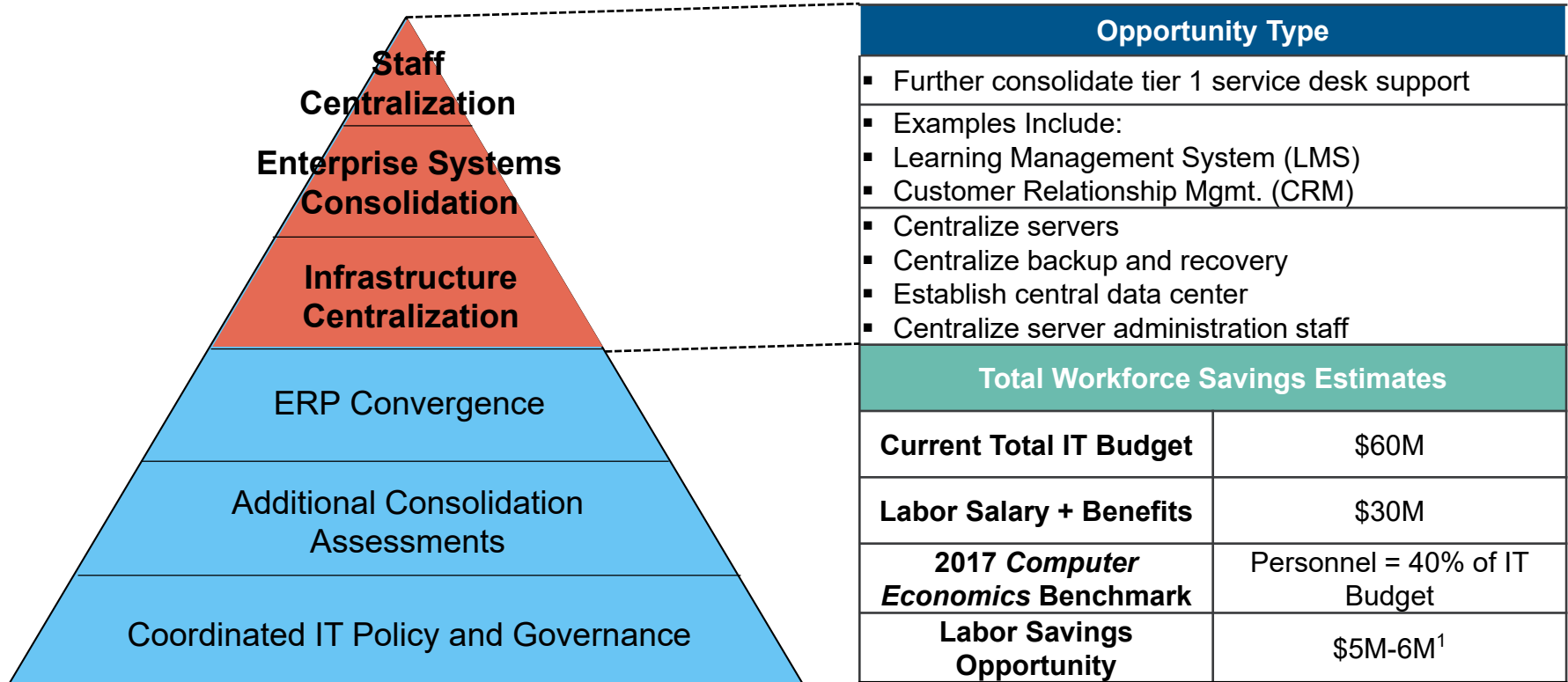
Technology Systems	BSU	ISU	LCSC	UI
ERP/ HCM	Oracle Cloud / PeopleSoft	Banner	Ellucian Colleague	Banner
Document Management	Hyland	Banner	Hyland	Stellent
Reporting/Bi/Survey	Qualtrics, SPSS, Oracle Cloud	Qualtrics, Argos	Qualtrics, SPSS, F9 Reporting	Qualtrics, SAS, SPSS, Argos
CRM	Ellu. Advance, Hobsons, Blackbaud	Blackbaud, Ellucian Recruit	Ellucian CRM	Ellucian Advance, Hobsons Radius
Networking (including monitoring)	Cisco, Palo Alto, Ruckus	Cisco	Cisco	Cisco
IT Systems	Microsoft, Red Hat	Microsoft	Microsoft	Microsoft, Red Hat
Virtualization	VMware, Acropolis	VMware	VMware	VMware
Backups	CommVault	CommVault	Quest Rapid Recovery	CommVault
IT Security – MFA	Duo			Duo
Service Desk (Remote Tools)	Bomgar	Bomgar	Bomgar, Dameware	Bomgar
Learning Management System	Blackboard	Moodle	Blackboard	Blackboard
Portfolio and Project Management	Team Dynamix	Team Dynamix		Team Dynamix

Technology integration and application rationalization may lead to savings in direct costs which may be estimated through more in-depth analysis.

ERP OPTIMIZED

CONSOLIDATION AND CENTRALIZATION

Huron's long-term recommendations for systems integration include alignment of enterprise systems, centralization of infrastructure, and centralization of support staff.



Efforts to centralize and consolidate technology systems, infrastructure, and support staff could save **\$5M-\$6M**. Additional information can be found in Sections 3B.4 and 3D.3.

Huron recommends the following immediate next steps:



- **Next Steps (ISBOE)**

- Determine delivery mechanism for near-term opportunities
- Identify needs for legislative action and pursue as appropriate



- **Next Steps (Institutions)**

- Work with ISBOE to formalize overarching or functional governance structure across institutions
- Assess next steps to pursue internal opportunities for cost reduction at each institution

3

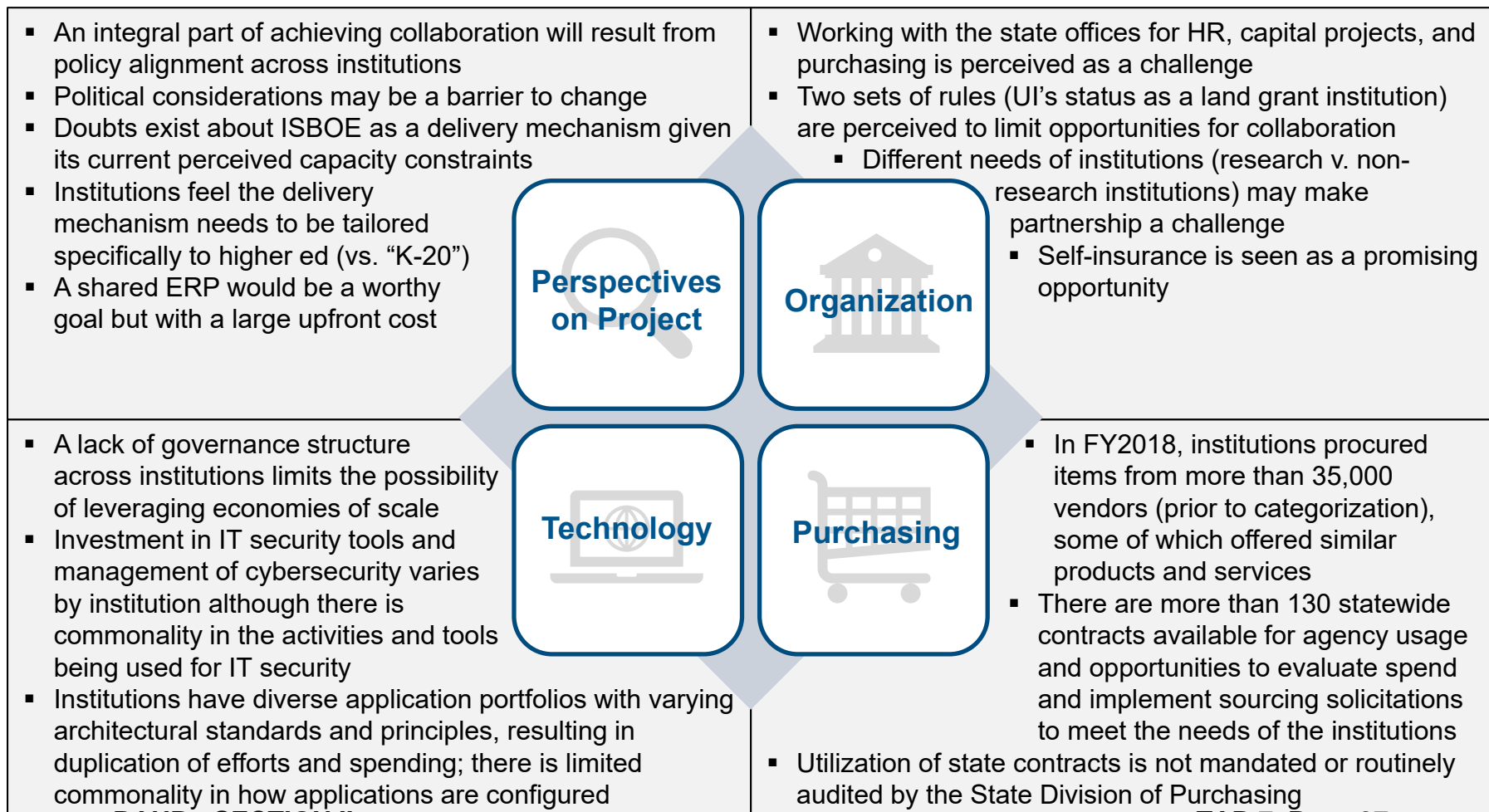
ANALYSES

SECTION 3A: THEMES AND INSTITUTIONAL SNAPSHOTS

3A.1 THEMES AND OBSERVATIONS

SYNOPSIS OF FINDINGS FROM STAKEHOLDER INTERVIEWS

More than 100 stakeholder interviews conducted across the four institutions during this engagement yielded several key observations and findings:

























3A.2 SUMMARY FINDINGS DASHBOARD

MEASURING OPPORTUNITY FOR HURON'S TARGETED AREAS

The below opportunity snapshots measure nominal opportunity of each institution taking into account each institution's scale and current operating model.

		 University of Idaho		
Labor Duplication / Fragmentation				
Technological Adoption / Rationalization				
Purchasing Power				

Opportunity		Labor	Technology	Purchasing
	Low	Role Clarity / Scale	Alignment / Modernity	Limited Scalability
	Medium-Low	↑	↑	↑
	Medium-High	↓	↓	↓
	High	Duplication / Fragmentation	Duplication / Lagging	Opportunity to Scale

3A.3 ADDRESSABLE EXPENDITURE

SIZE OF OPPORTUNITIES FROM COLLABORATION

Huron sized the cost pools for each institution for the three areas of analysis outlined in our approach against which it calculated savings opportunities. The size of the cost pools are:

Institution	Labor: Functional Business Support ¹	Purchasing: Addressable Spend	Information Technology: Licensing Spend ²
BSU	\$29.3M	\$64.7M	\$ 5.2M
ISU	\$13.7M	\$55.5M	\$ 3.1M
LCSC	\$2.8M	\$10.4M	\$ 0.5M
UI	\$24.5M	\$101.6M	\$ 2.7M
TOTAL	\$70.3M	\$ 232.2M	\$ 11.5M¹
Report Section	3B.4	3C.2	3D.3

The collective size of the cost pools addressable by collaboration across institutions – for the areas of Huron’s focus – total **\$314M** and represent a starting place for framing our analysis.

SECTION 3B: WORKFORCE ANALYSIS

3B.1 WORKFORCE ANALYSIS

WORKFORCE ROADMAP OVERVIEW

Near-term steps target optimization of middle-management structure and consistent staffing levels; long-term centralization efforts are enabled by ERP convergence.

	Roadmap Activity	Detail	Time Horizon
1	Spans and Layers	<ul style="list-style-type: none"> Use spans and layers analysis to assess supervisory structure at each institution Identify layers for further analysis based on narrow spans of control (fewer than three direct reports per supervisor) Assess employee population at each layer identified for review <ul style="list-style-type: none"> Functions such as custodial operations would be expected to have large spans Functions such as major gift development would be expected to have narrow spans Identify opportunities to reorganize supervisory structure based on detailed function-specific or unit-specific analysis 	Near-Term
2	Functional Support Staff Optimization	<ul style="list-style-type: none"> Determine optimum staffing levels based on performance metrics at each institution based on internal benchmarking against Idaho peers Develop a strategy at each institution to align functional support staff capabilities Seek to achieve staffing levels consistent with internally benchmarked operating ratios at each institution with consideration for service levels Assess duties performed by generalists and identify opportunities to align generalist staff to internal and external benchmark ratios 	Near-Term
3	Workforce Resource Sharing	<ul style="list-style-type: none"> Identify capability gaps across institutions (e.g., legal support, internal audit) Conduct business case analysis to determine viability of opportunity for sharing resources Draft memorandum of understanding outlining shared model 	Intermediate-Term
4	Staff Centralization	<ul style="list-style-type: none"> Seek to achieve staffing levels consistent with industry best practice benchmarks for functional areas at each institution Design shared / centralized operating model and pursue implementation 	Long-Term

BAHR - SECTION II

Notes:

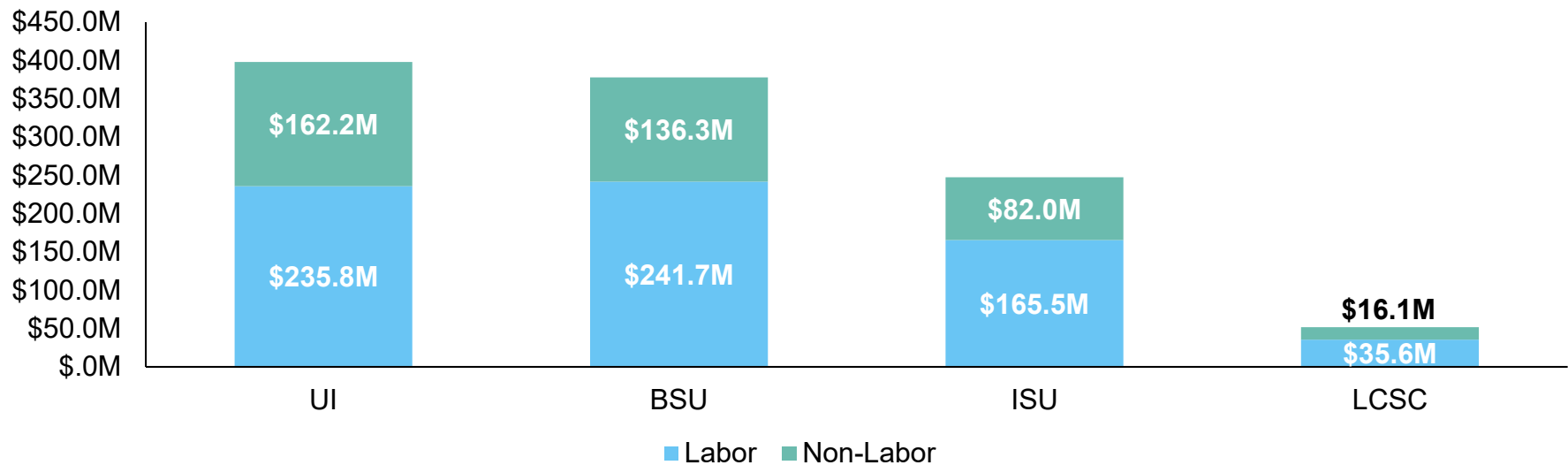
1. Near-Term implies a 0-2 year time horizon.
2. Intermediate-Term implies a 2-6 year time horizon.
3. Long-Term implies a 6-10 year time horizon.

3B.2 LABOR COST POOLS

OVERALL FINANCIAL IMPACT OF WORKFORCE

Labor costs – total compensation including benefits – represent 59% to 69% of aggregating operating expenditures across the four institutions.

Operational Expenditure Breakdown¹



**Labor
as % of
OpEx**

59%

64%

67%

69%

Consistent with higher education institutions, labor represents the largest cost bucket at each institution and therefore the potential largest candidate for savings.

3B.2 LABOR COST POOLS

ADDRESSING LABOR THROUGH VARIOUS STRATEGIES

Revisiting the three strategies for pursuing economies of scale, Huron sized the cost pools for each strategy, which also target different staff segments (although overlap exists).

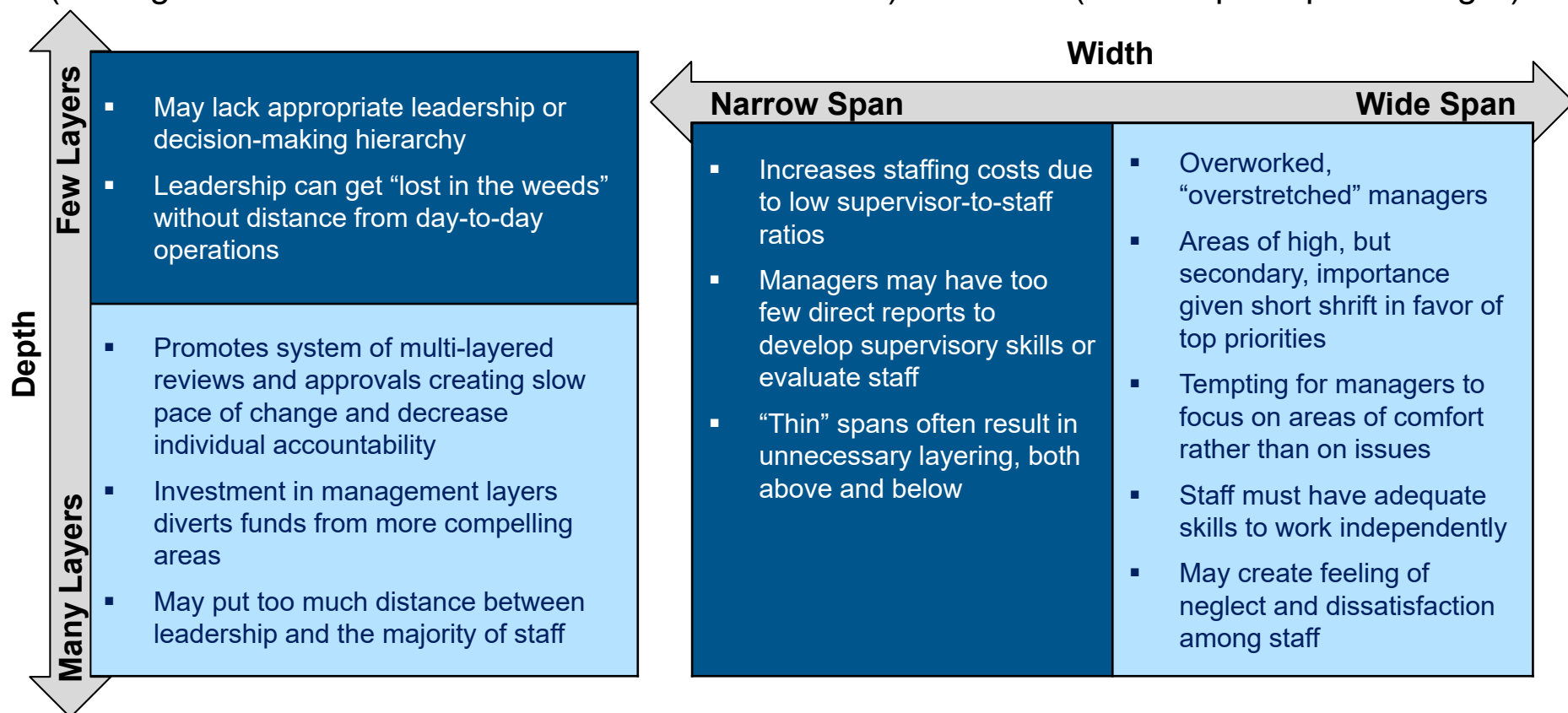
Strategies			
	(A) Self-Assessment	(B) Partnership	(C) Integration
Labor Segment	<ul style="list-style-type: none"> Supervisors / Middle management 	<ul style="list-style-type: none"> Transaction support staff 	<ul style="list-style-type: none"> University administration Academic administration
Analysis	<ul style="list-style-type: none"> Spans and layers 	<ul style="list-style-type: none"> Benchmarking of staffing ratios 	<ul style="list-style-type: none"> Duplication analysis
Cost Pool	<div>\$99M in salary and ben. of supervisors w/ <4 direct reports</div>	<div>\$70M in salary and ben. for business support functions</div>	<div>\$92M in salary and ben. for director-level and above leadership</div>

Cost Pools Not Mutually Exclusive

3B.3 SPANS AND LAYERS ANALYSIS

OVERVIEW OF APPROACH

This analysis is used to analyze overhead structure by assessing organizational depth (managers between front-line staff and the President) and width (direct reports per manager).

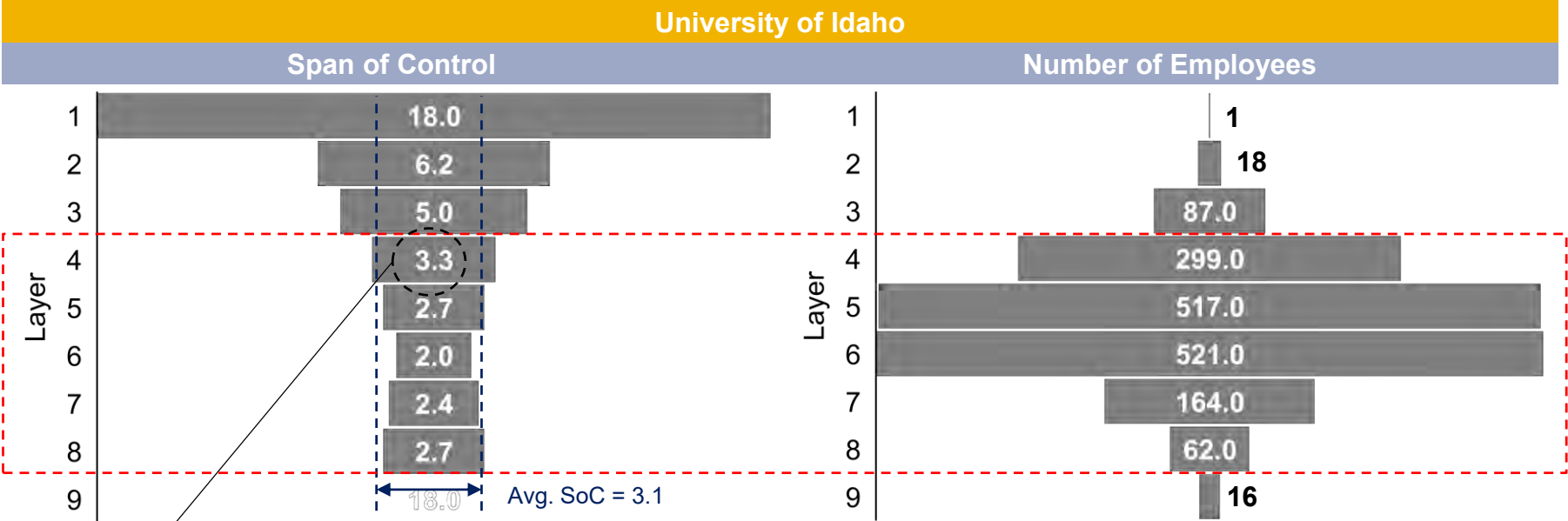


Although there is no “right size” that fits all organizations, too many/few spans or layers can impact the effectiveness of an institution.

3B.3 SPANS AND LAYERS ANALYSIS

AVERAGE SPAN OF CONTROL BY LAYER¹ – UI

The University of Idaho’s average span of control is **3.1**. The layers with the lowest spans of control are also the layers with the most employees.



Interpreting the Diagram:
517 employees at Layer 5 are supervised by 157 supervisors at Layer 4, with an average span of 3.3 (517/157=3.3)

	1 Report	2 Reports	3 Reports	4-6 Reports	7-9 Reports	10+ Reports
Total	197	117	73	95	32	26
PCT	36%	22%	13%	18%	6%	5%

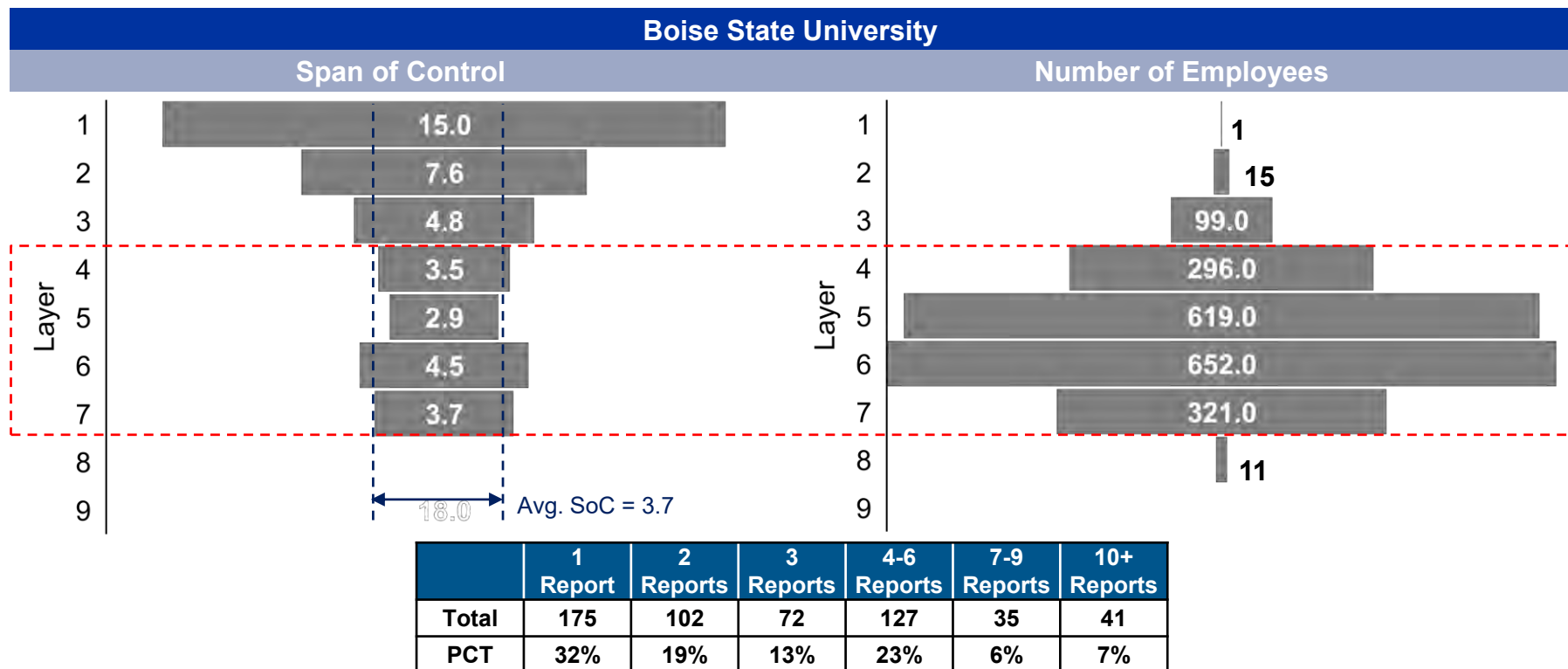
More than half of all supervisors at UI (71%) have three or fewer direct reports

387 (71%) of supervisors at the University of Idaho have three or fewer direct reports.

3B.3 SPANS AND LAYERS ANALYSIS

AVERAGE SPAN OF CONTROL BY LAYER¹ – BSU

Boise State University's average span of control is **3.7**. The layers with the lowest spans of control are also the layers with the most employees.

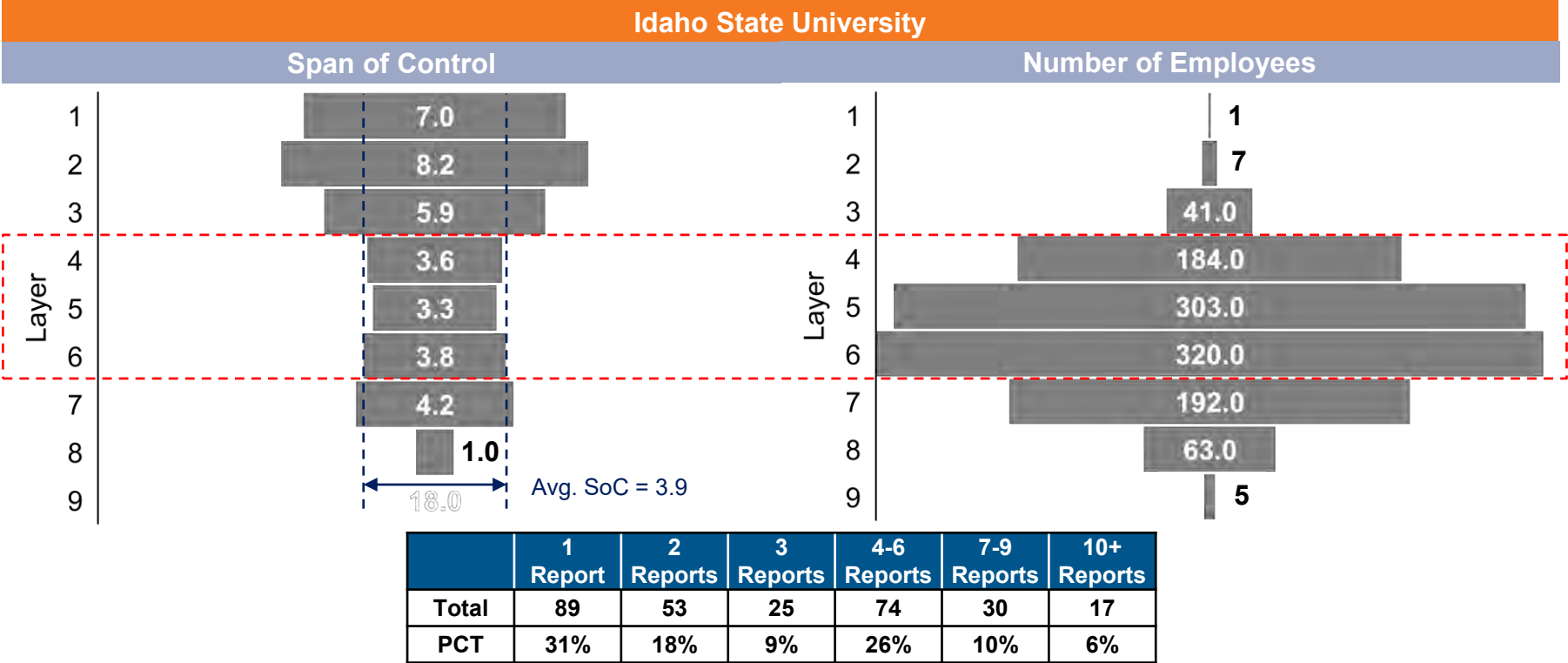


349 (64%) of supervisors at Boise State University have three or fewer direct reports.

3B.3 SPANS AND LAYERS ANALYSIS

AVERAGE SPAN OF CONTROL BY LAYER¹ – ISU

Idaho State University’s average span is **3.9**. The layers with the lowest spans of control are also the layers with the most employees.

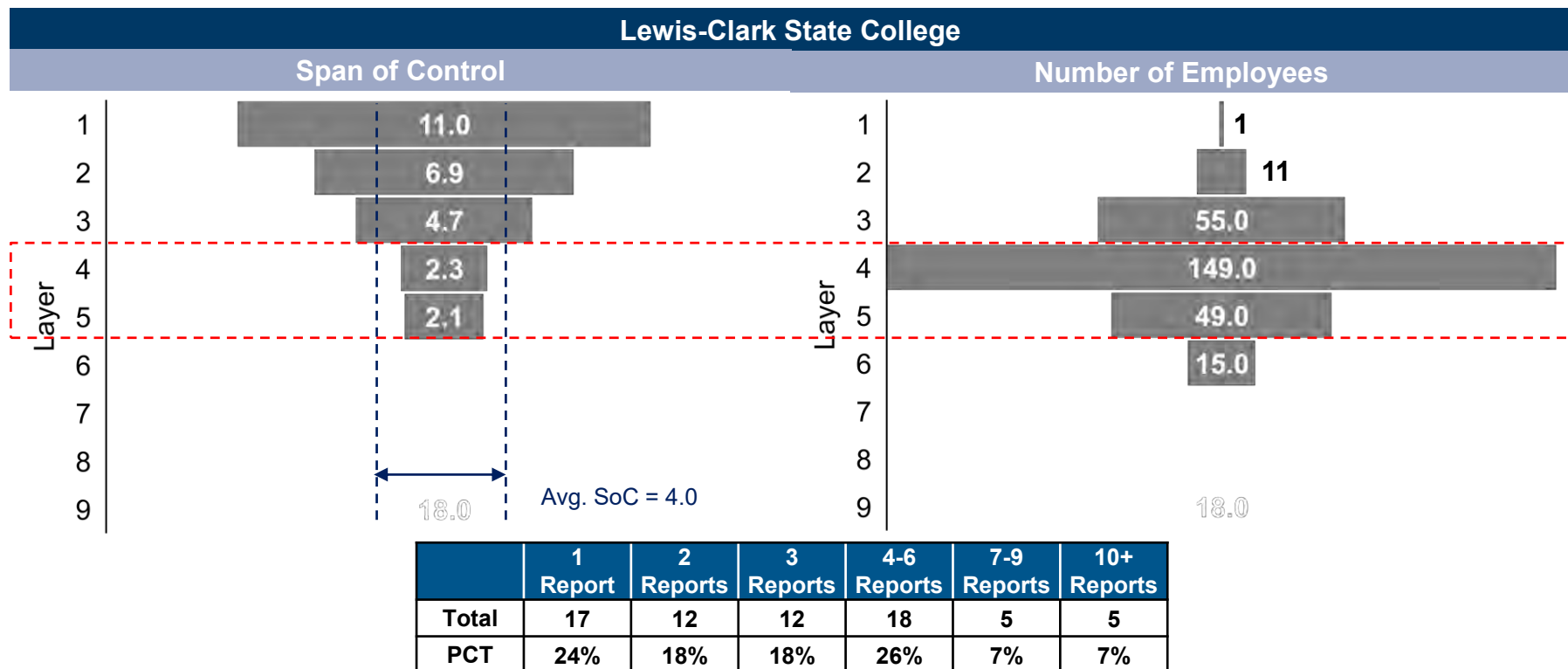


167 (58%) of supervisors at Idaho State University have three or fewer direct reports.

3B.3 SPANS AND LAYERS ANALYSIS

AVERAGE SPAN OF CONTROL BY LAYER¹ – LCSC

Lewis-Clark State College has an institution-wide average span of control of **4.0**. The layers with the lowest spans of control are also the layers with the most employees.

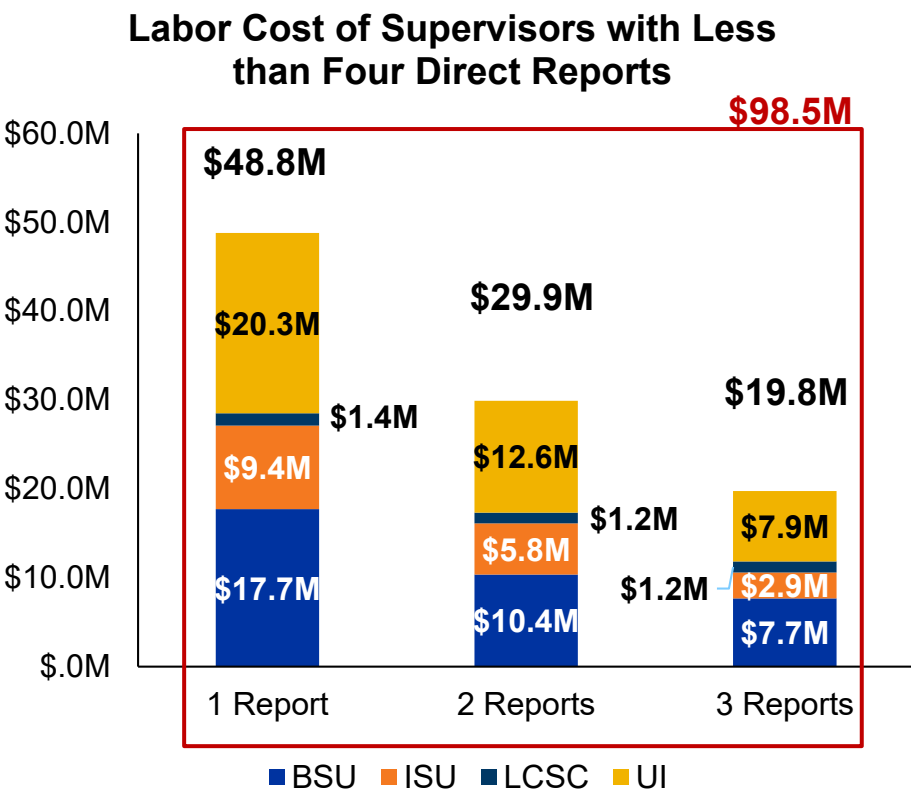
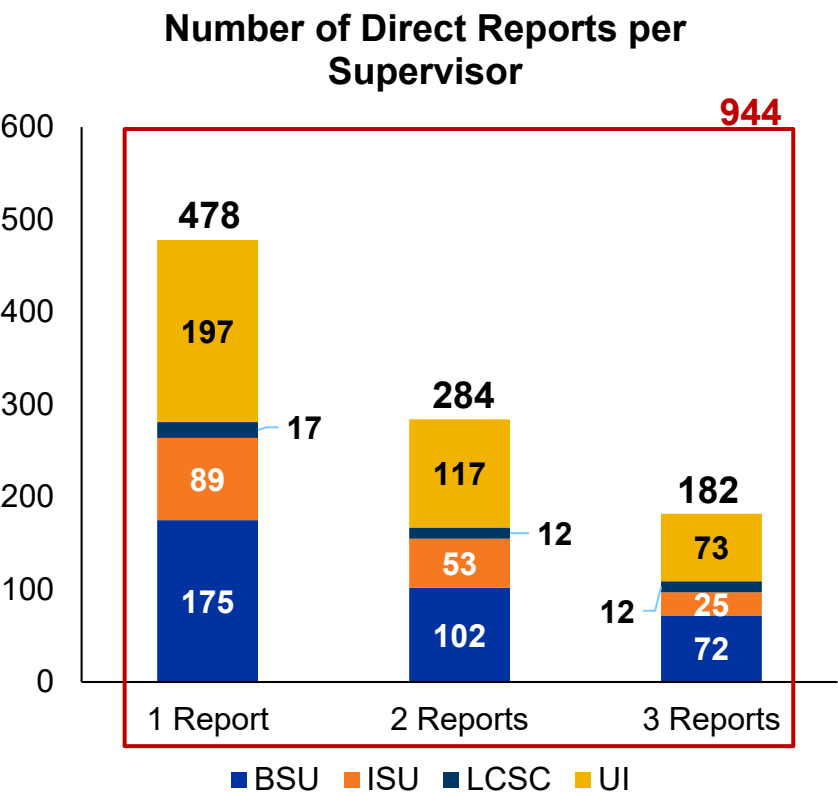


41 (60%) of supervisors at Lewis-Clark State College have three or fewer direct reports.

3B.3 SPANS AND LAYERS ANALYSIS

SUPERVISORY STRUCTURE

Across the four institutions, nearly 950 supervisors have only one, two, or three direct reports, indicating an opportunity to optimize each institution's management footprint.



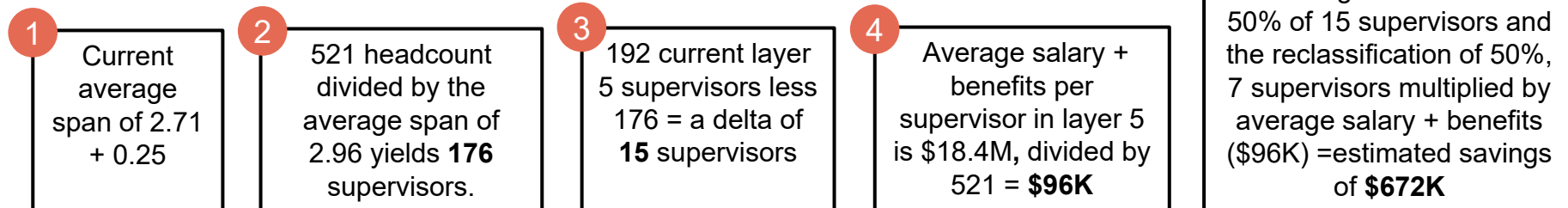
Salary and benefits for supervisors with fewer than four direct reports totals nearly **\$99M**.

3B.3 SPANS AND LAYERS ANALYSIS

COST SAVINGS ESTIMATION OVERVIEW

Estimates of cost savings associated with our spans and layers analysis are predicated on organizational restructuring that reallocates supervisory responsibility.

University of Idaho: Layer 5		
Direct Reports (Layer 6)	Supv.	Avg. Span
521	192	2.71



University of Idaho Layer 5 Savings					
Increase from Current Span	Avg. Span	Supv.	ΔSupv.	Avg. Salary & Benefits	Salary & Benefits Savings
+ 0.25	1 2.96	2 176	3 15	4 \$96K	5 \$672K
+ 0.75	3.46	151	41		\$1.9M

At organizational layers with average spans below four, a range of savings is estimated by increasing the average span, and identifying the implied reduction in supervisory overhead.

3B.3 SPANS AND LAYERS ANALYSIS

CROSS-INSTITUTIONAL COMPARISON

Variation in span of control suggests an opportunity to optimize supervisory structure across the four institutions, a potential source of material reduction in overhead.

	BSU	ISU	LCSC	UI
Average Span of Control	3.7	3.9	4.0	3.1
Number of Layers	8	9	6	9
Supervisors with Three or Fewer Direct Reports	64%	58%	60%	71%

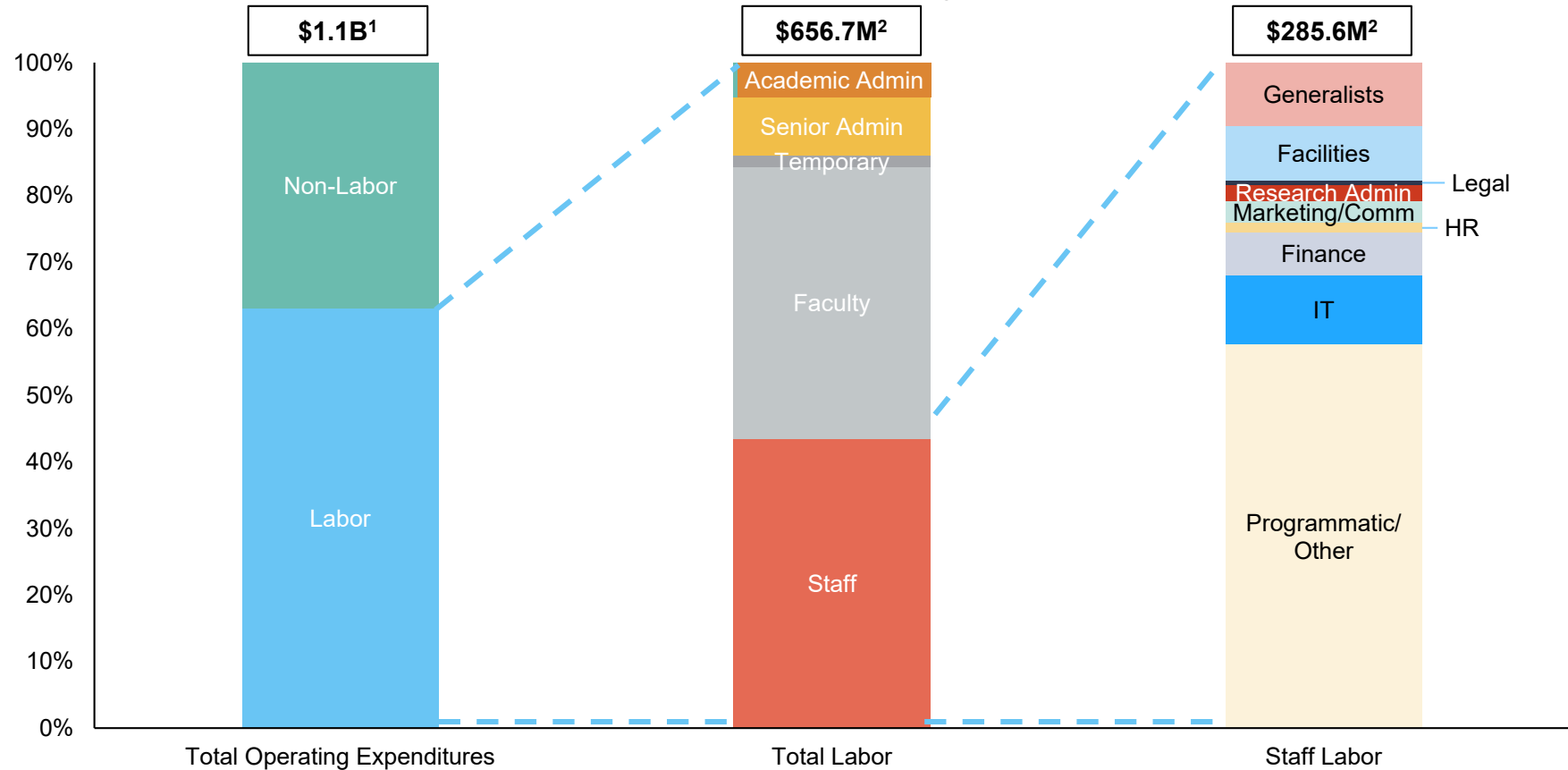
By increasing the average span of control at each institution by 0.25 or 0.75, the organization could save between **\$4.1M** and **\$11.3M** from salaries and benefits as outlined in page 17.

3B.4 FUNCTIONAL LABOR COST POOL

TOTAL SCOPE OF OPPORTUNITY

Next, we identify the pool from which functional support staff optimization can draw savings.

Labor Cost Breakdown (Includes Salary and Benefits)



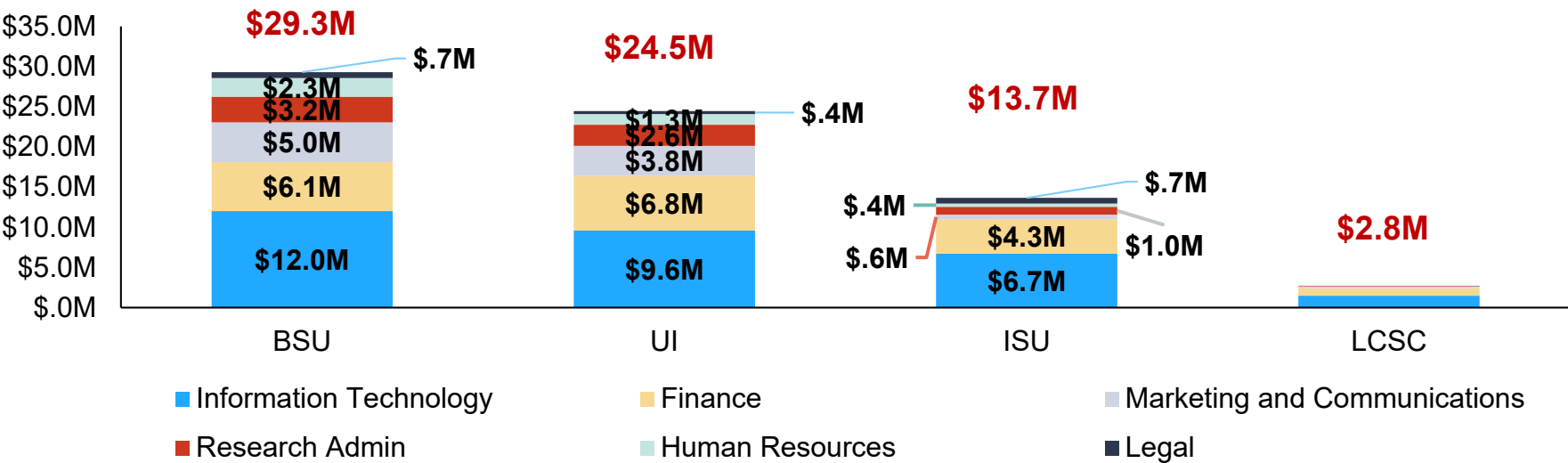
Focusing on opportunities within “staff” results in a pool of less than \$300M from which to pursue efficiencies.

3B.4 FUNCTIONAL LABOR COST POOL

SPEND BY BUSINESS SUPPORT FUNCTION

Across the four institutions, six administrative support functions represent **\$70.3M** in annual salary and benefits.

Labor Spend by Functional Area^{1,2}



% of Total Labor Cost ³	12%	10%	8%	8%
	BSU	UI	ISU	LCSC

As a next step, we segment activities within these functions that lend themselves to consolidation across institutions.

Notes:

1. Based on salary and benefits.
2. Functional labor cost derived from personnel data.
3. Functional labor cost compared to total labor expenditure separately for each institution.

3B.4 FUNCTIONAL LABOR COST POOL

UNPACKING ADMINISTRATIVE FUNCTIONS

To further segment the labor pool, we will highlight examples of “commodity” activities, or subfunctions, that are commonly candidates for consolidation.

Sample Activities / Sub-Functions in Scope

FINANCE	HR	IT	RESEARCH ADMIN.
Accounts Payable	Absence Management	Helpdesk	Award Management
Accounts Receivable & Billing	Benefits	Desktop Support	Billing & AR
Asset Management	Core HR	Server Admin	Compliance
Budgeting	Payroll	Application Dev.	F&A Cost Processing
Financial Management (GL)	Performance Management		Project Management
Purchasing	Profile Management		Proposal Management
Travel and Expense	Recruiting		
	Time and Labor		

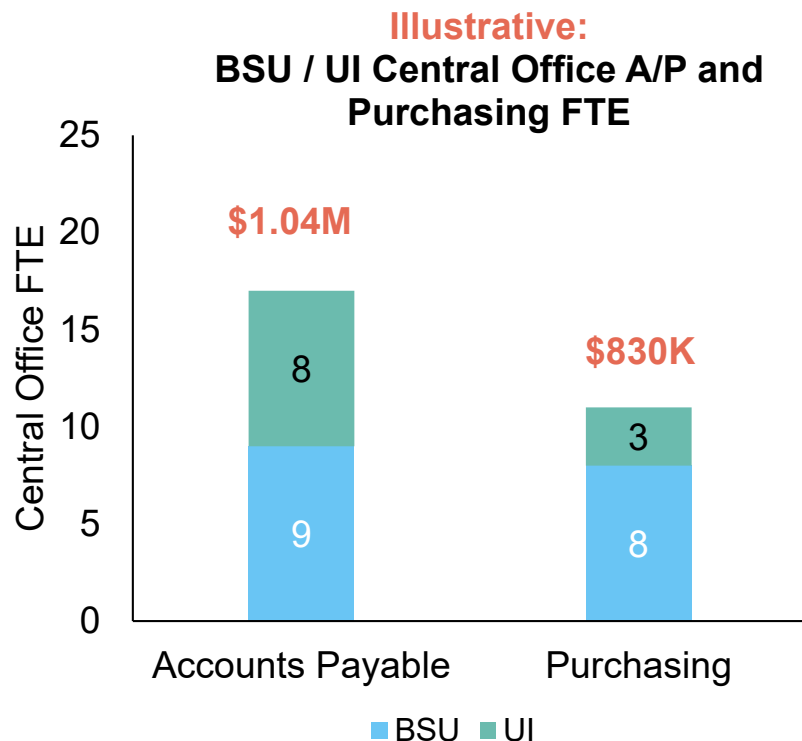
Other functions under review: communications, legal, library management, facilities planning

Further segmenting functional support to look at these sub-functions **lessens the size of the cost pool** from which there might be savings from efficiency gains.

3B.4 FUNCTIONAL LABOR COST POOL

ILLUSTRATIVE FUNCTIONAL COST POOL

A selection of seven titles that commonly present opportunity for consolidation across the four institutions reveals a limited scope of actual opportunity for savings.



Interpretation

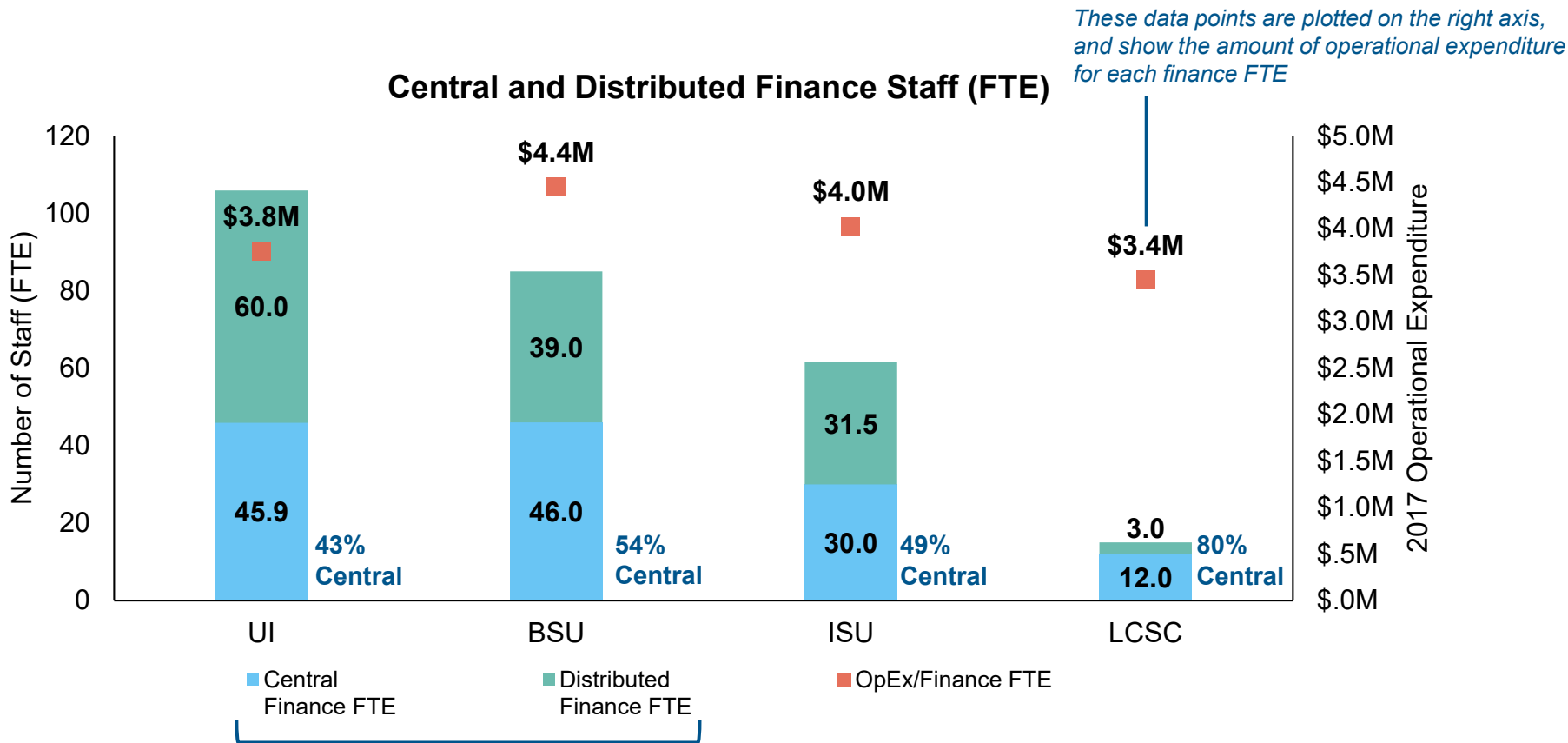
- The overall \$70.3M cost bucket looks at the entirety of these functions
- Select sub-functions are stronger candidates to effectively consolidate across universities than others
- This opportunity is usually at the central office level, thereby materially reducing the size of the cost pool

Consolidation of non-commodity functional support becomes more feasible in more mature and integrated technology environments.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

OPEX TO FINANCE FTE^{1,2} (1/2)

The four institutions appear to have similar central and distributed finance staff but some institutions are able to support a greater portion of OpEx with each finance staff member.



Central staff are located in a functional department (e.g., finance staff in the Controller's Office), while distributed staff are located in other departments (e.g., finance staff in an academic department)

BAHR - SECTION II

Notes:

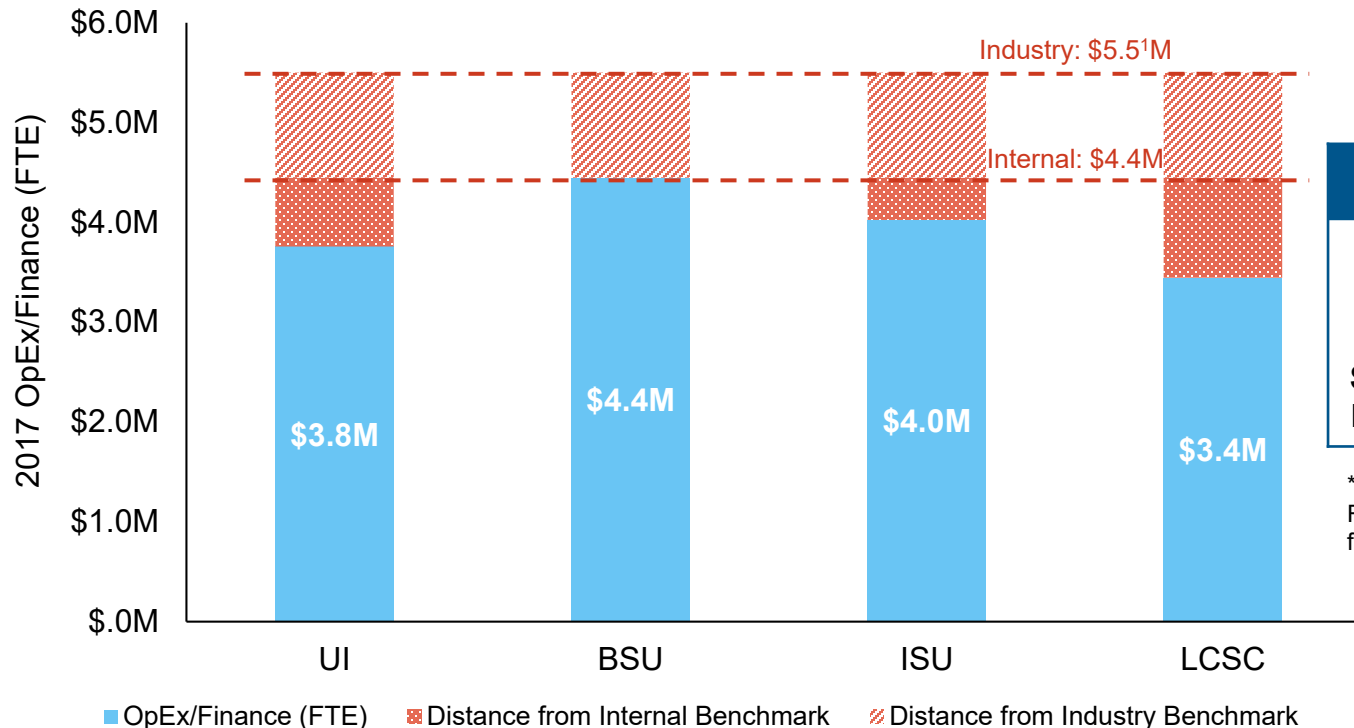
1. Based on analysis of adjusted staff population derived from census files provided as part of data request. Also excludes senior admins.
2. Operational Expenditure derived from 2017 financial statements.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

OPEX TO FINANCE FTE (2/2)

While the institutions vary slightly with regards to the portion of OpEx each finance staff member supports, BSU sets the internal benchmark at \$4.4M.

2017 Operational Expense Managed Per Finance FTE



	Internal	Industry*
Ratio	\$4.4M	\$5.5M
Δ FTE	25.6	46.2
Salary & Benefits	\$1.2M-\$1.8M	\$2M-\$3.4M

* This column represents **marginal** change in FTE and Salary & Benefits **above** the change from internal benchmarking

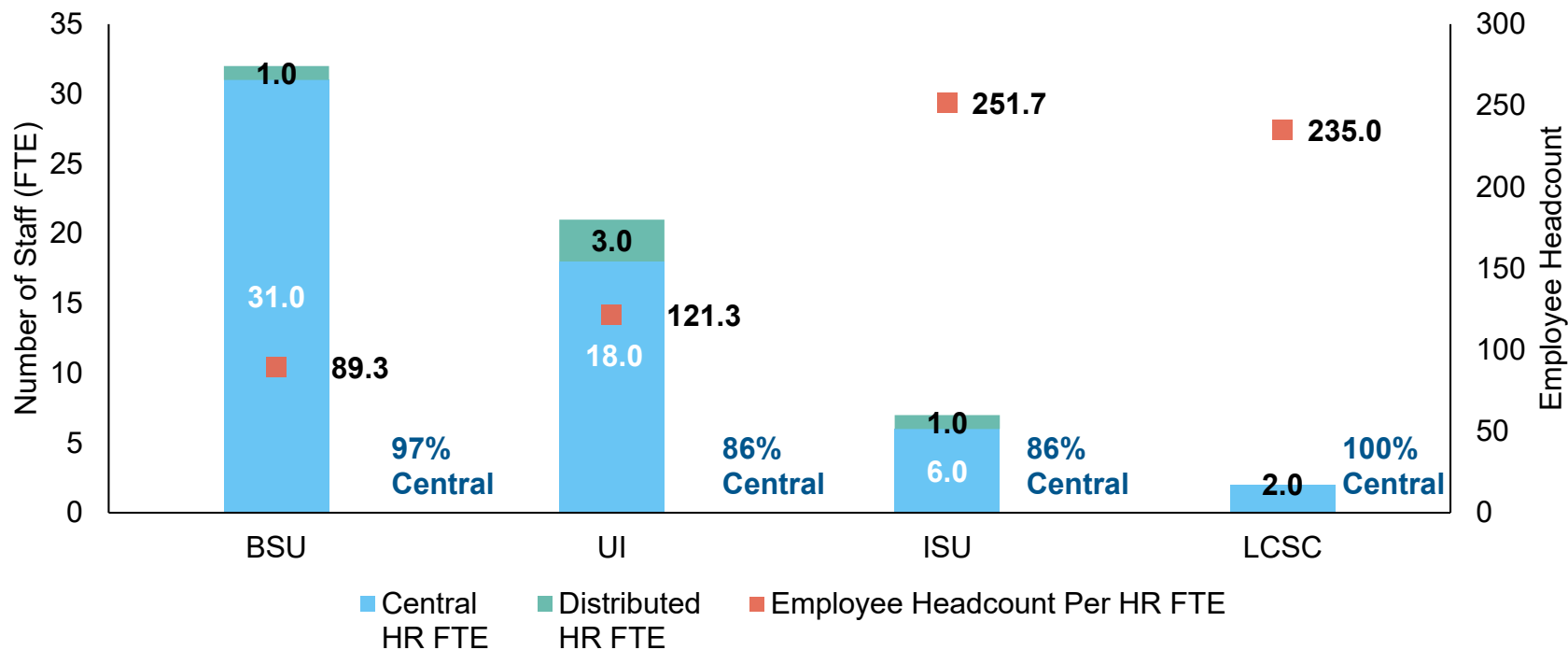
If the four institutions optimized their OpEx to Finance FTE ratio to the internal or industry best practice, the organization may save between **\$3.2M-\$5.2M** in total.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

EMPLOYEE HEADCOUNT TO HR FTE^{1,2} (1/2)

While the HR function is highly centralized across all four institutions, the ratio of employees to HR staff varies widely.

Central and Distributed Human Resources Staff



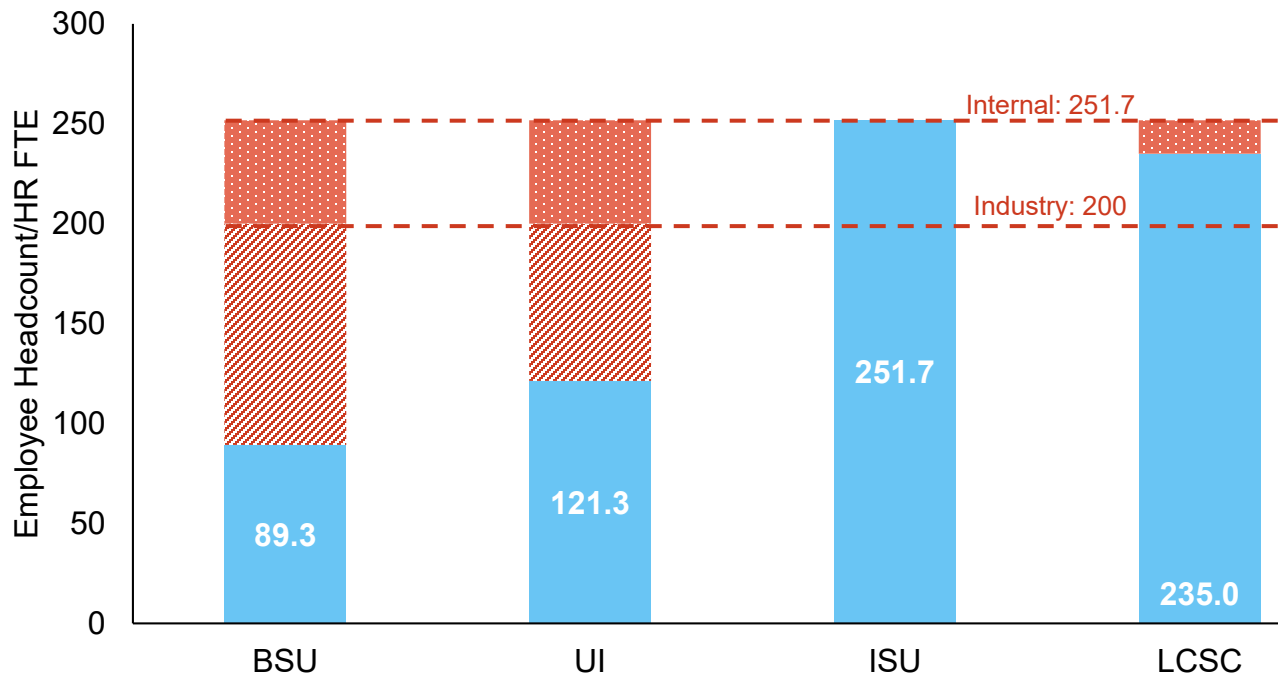
Support ratios for HR do not account for services provided by state offices.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

EMPLOYEE HEADCOUNT TO HR FTE (2/2)

ISU sets the internal benchmark for employee headcount managed per Human Resources FTE at 251.7:1.

Employee Headcount/HR FTE



	Internal ¹	Industry*
Ratio	251.7	200
Δ FTE	30.7	--
Salary & Benefits	\$1.7M-\$2.6M	--

* This column represents the **marginal** change in FTE and Salary & Benefits **above** the change from internal benchmarking. The industry benchmark does not offer an additional savings opportunity in this case.

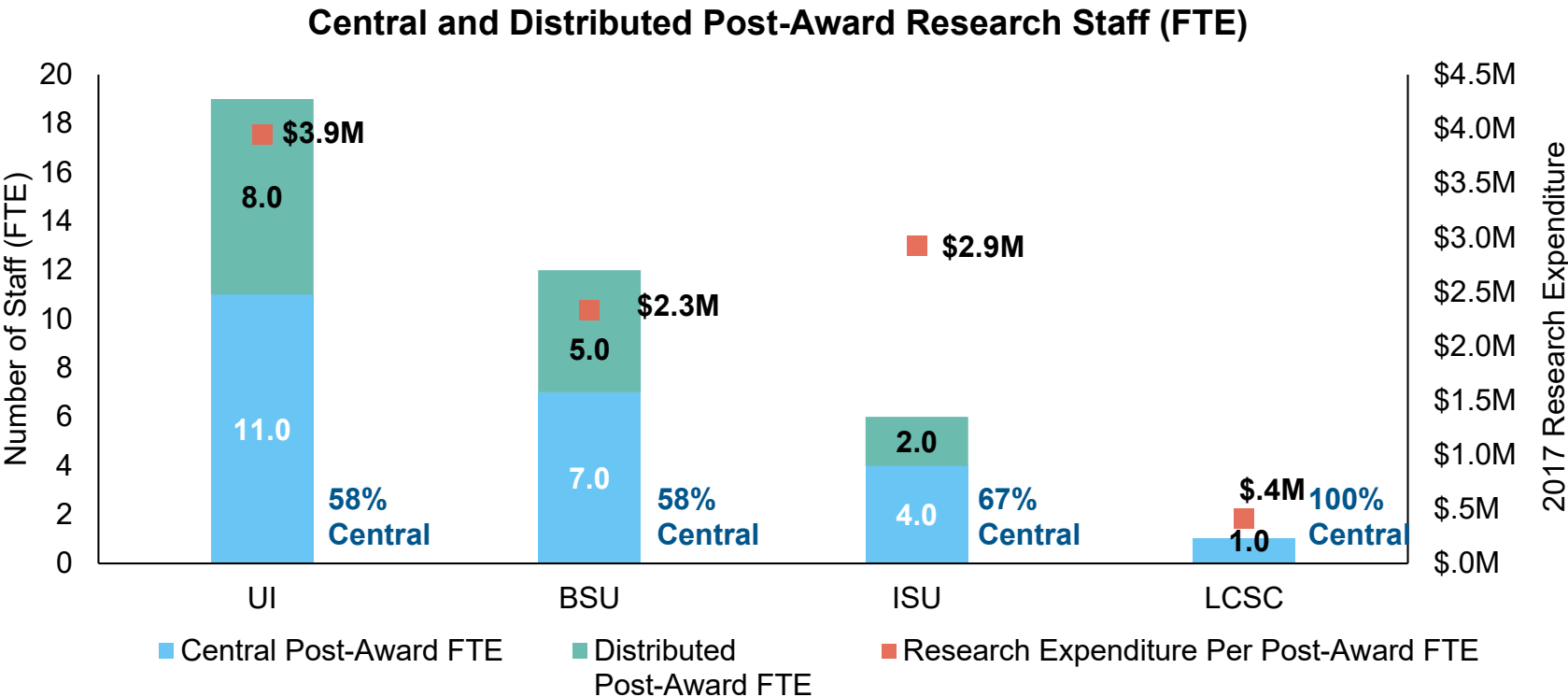
■ Employee Headcount Per HR FTE ■ Distance to Industry Benchmark ■ Distance to Internal Benchmark

If the four institutions optimized their total employee headcount to HR FTE ratio to ISU's benchmark, they may save between **\$1.7M-\$2.6M** in total.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

RESEARCH EXPENDITURE TO POST-AWARD FTE^{1,2} (1/2)

UI maintains a robust, centralized research staff that, likely due to maturity as a research institution, is able to support a greater level of research expenditure per research FTE.



UI sets the internal benchmark for Research Expenditure/Post-Award FTE at \$3.9M.

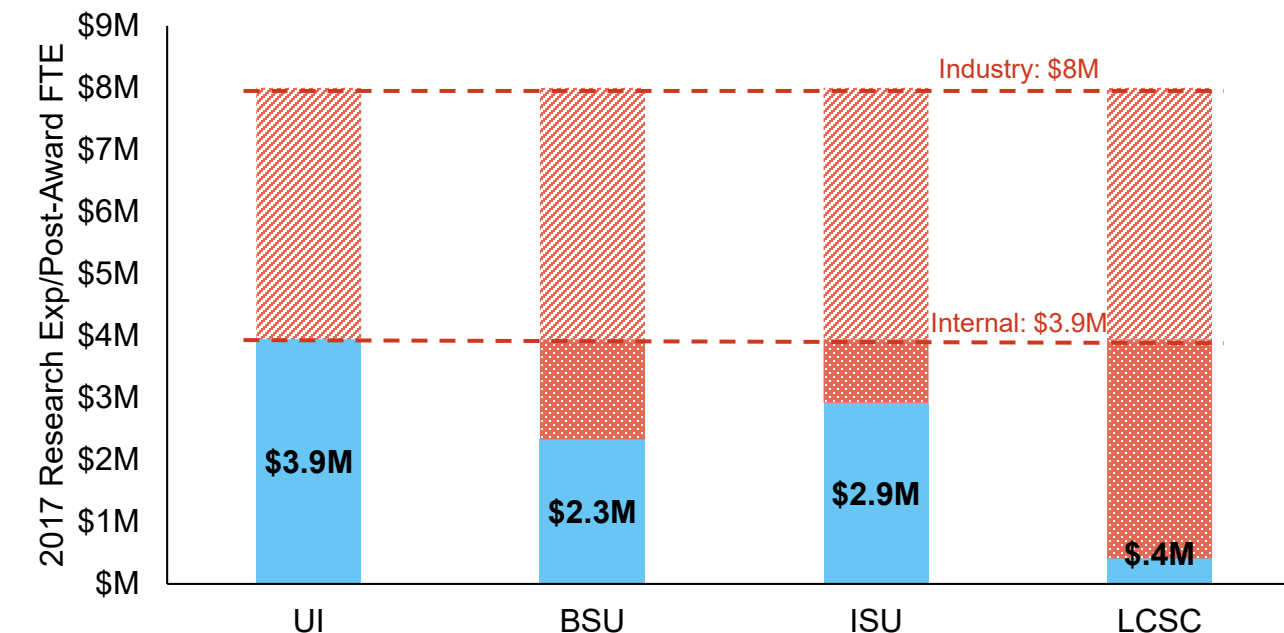
Notes:
 1. Based on analysis of adjusted staff population derived from census files provided as part of data request.
 Also excludes senior admins.
 2. Research Expenditure derived from 2017 financial statements.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

RESEARCH EXPENDITURE TO POST-AWARD FTE (2/2)

Opportunities for cost savings would be possible by aligning BSU and ISU to the internal benchmark set by UI or by aligning both institutions to industry benchmarks.

Central and Distributed Post-Award Research Staff (FTE)



	Internal	Industry*
Ratio	\$3.9M	\$8.0M
Δ FTE	6.5	15.5
Salary & Benefits	\$400K-\$600K	\$0.9M-\$1.4M

* This column represents the **marginal** change in FTE and Salary & Benefits **above** the change from internal benchmarking.

■ Research Exp. Per Post-Award FTE ■ Distance from Internal benchmark ▨ Distance from Industry Benchmark

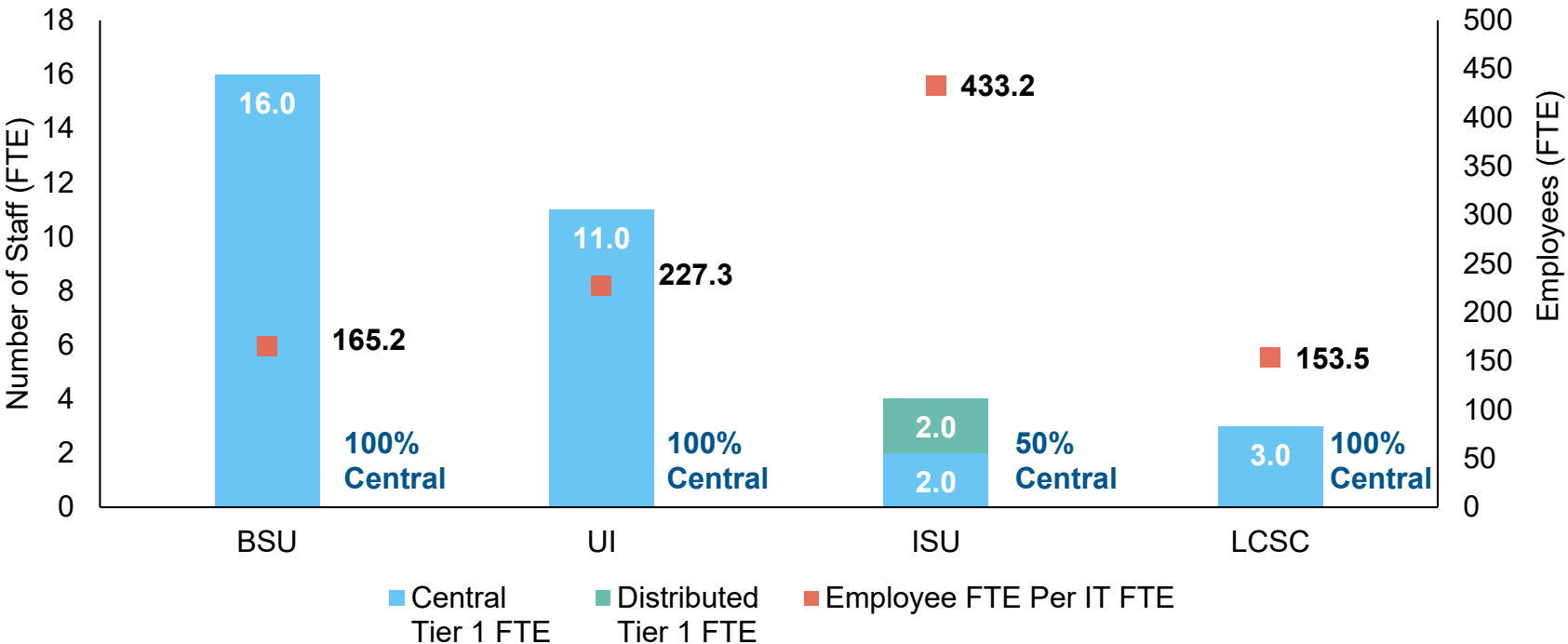
Additional savings up to **\$1.4M** may be realized through optimizing the operating ratio of *Research Expenditure to Post-Award FTE* to industry leading practice.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

IT TIER 1 FTE TO EMPLOYEE FTE¹ (1/2)

The ratio of institutional employee FTEs to IT FTEs allows us to compare IT staffing levels across institutions.

Central and Distributed Tier 1 Staff (FTE)



Although Tier 1 IT support staff are highly centralized across the four institutions, the number of employees supported per staff member varies.

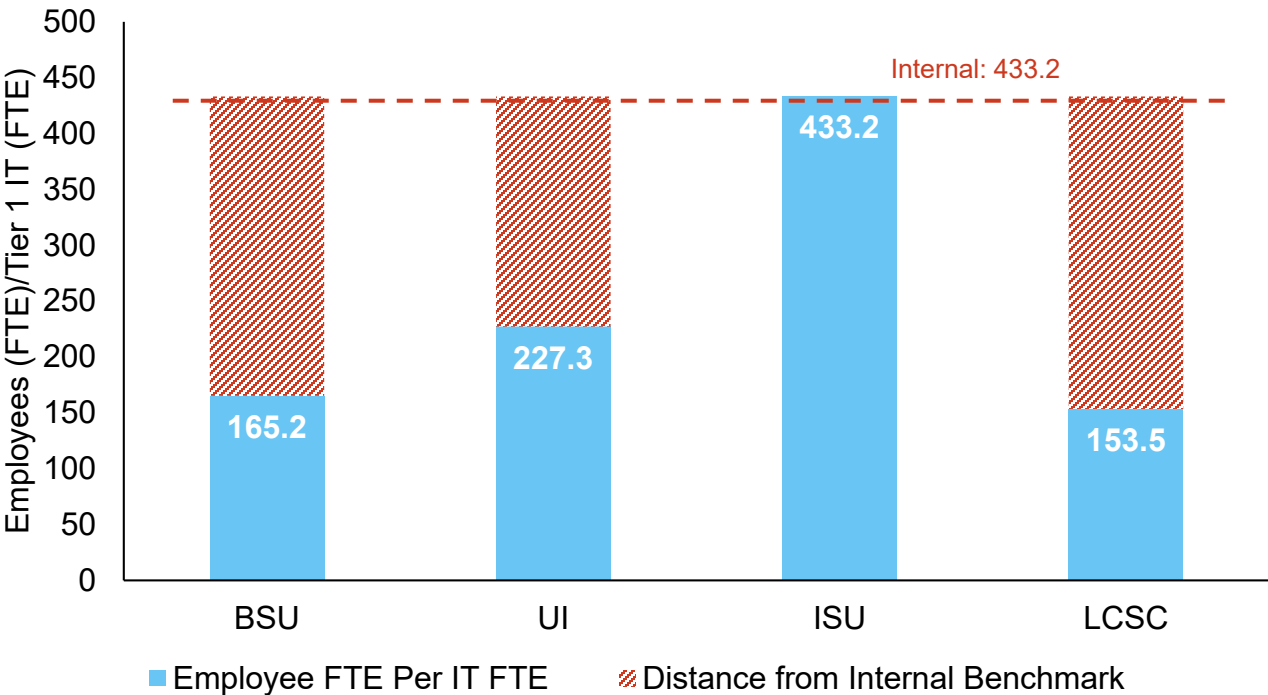
Notes:
1. Based on analysis of adjusted staff population derived from census files provided as part of data request. IT FTE excludes senior admins.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

IT TIER 1 FTE TO EMPLOYEE FTE (2/2)

Internal benchmarking suggests a variation in the number of employees supported by each Tier 1 IT staff member, suggesting an opportunity for improvement in staff efficiency.

Central and Distributed Tier 1 Staff (FTE)



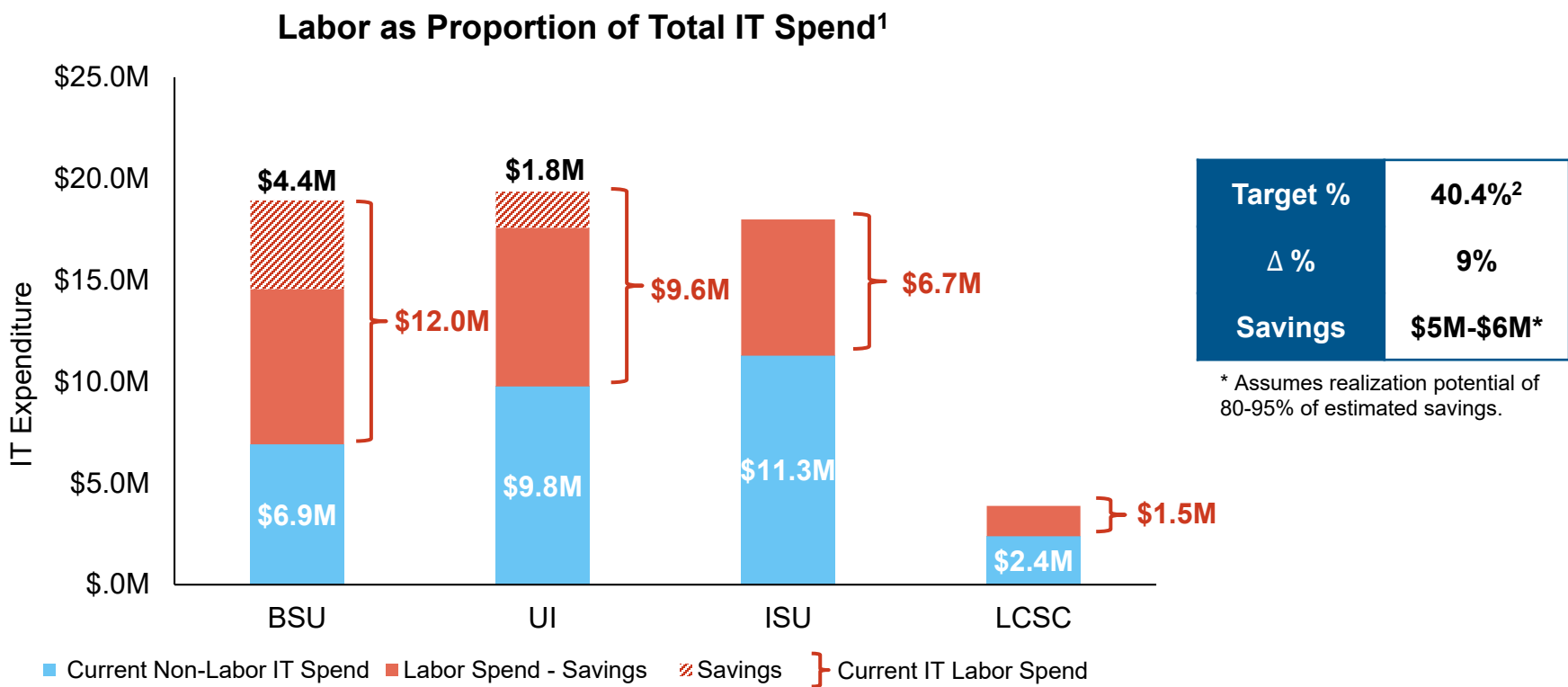
	Internal
Ratio	433.2
Δ FTE	17.1
Salary & Benefits	\$0.9M-\$1.4M

If the four institutions matched the internal benchmark set by ISU, it would imply potential cost savings of **\$0.9M-\$1.4M**.

3B.5 FUNCTIONAL STAFF OPTIMIZATION

IT LABOR AS % OF IT SPEND

While near-term savings focus on Tier 1 support, long-term consolidation may consider the whole IT function, which provides an opportunity to align to best-practice budget allocations.



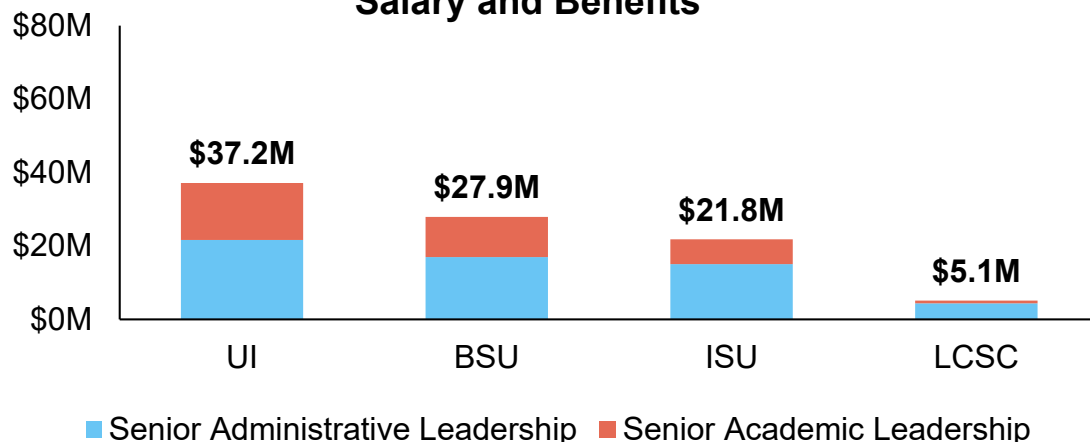
Aligning to a best-practice target of labor as 40.4% of total IT spend would produce **\$5M-\$6M** in savings.

3B.6 INSTITUTIONAL INTEGRATION

LEADERSHIP DUPLICATION ANALYSIS

Senior Academic/Admin leadership roles represent 7-10% of total operational expenditures (labor and non-labor) at each of the four institutions.

Academic and Administrative Leadership Salary and Benefits



Leadership Titles Include...	
Senior Administration	Academic Administration
President	Provost, Vice Provost
CFO, COO, CIO	VP
VP, Assoc. VP	Dean
Asst. VP	Assoc. Dean
Exec. Dir, Assoc. Dir	Asst. Dean
Asst. Dir, Dir	Asst. Provost

% of
Total
OpEx

9%

7%

9%

10%

Should the Board consider mergers in the future, savings could be achieved through consolidation of leadership roles which would not be addressed through partnership models.

BAHR - SECTION II

TAB 7 Page 65

Notes:

1. Based on salary and benefits.
2. Functional labor cost derived from personnel data.

SECTION 3C: PURCHASING ANALYSIS

3C.1 PURCHASING ANALYSIS

PURCHASING ROADMAP OVERVIEW (1/2)

Our analysis suggests that substantial cost savings opportunities can be facilitated through the implementation of a cross-institutional and technology-driven purchasing process.

	Roadmap Activity	Detail	Time Horizon
1	Strategic Sourcing Category Efforts	<ul style="list-style-type: none"> Introduce strategic sourcing efforts for high spend level 2 categories (e.g., leveraging collective purchasing power, vendor consolidation, etc.) <ul style="list-style-type: none"> Starting point should be commodity areas that have low complexity but high potential savings due to volume of spend (e.g., office products, scientific supplies) Reassess opportunities quarterly 	Intermediate-Term
2	Category Management Strategy	<ul style="list-style-type: none"> Establish category management strategies for key spend areas Formulate strategy for maverick spend reduction (e.g., reduce volume of P-Cards in use across institutions) Formulate strategy for vendor performance management 	Intermediate-Term
3	Unify Contract Management Activities	<ul style="list-style-type: none"> Evaluate the continuation of existing contracts, renegotiating pricing, service delivery and other components of the contracts Assess high supplier spend to determine additional savings opportunities from new contracts Implement an integrated contract management solution as part of the eProcurement solution that can provide a centralized, searchable contract repository 	Intermediate-Term

3C.1 PURCHASING ANALYSIS

PURCHASING ROADMAP OVERVIEW (2/2)

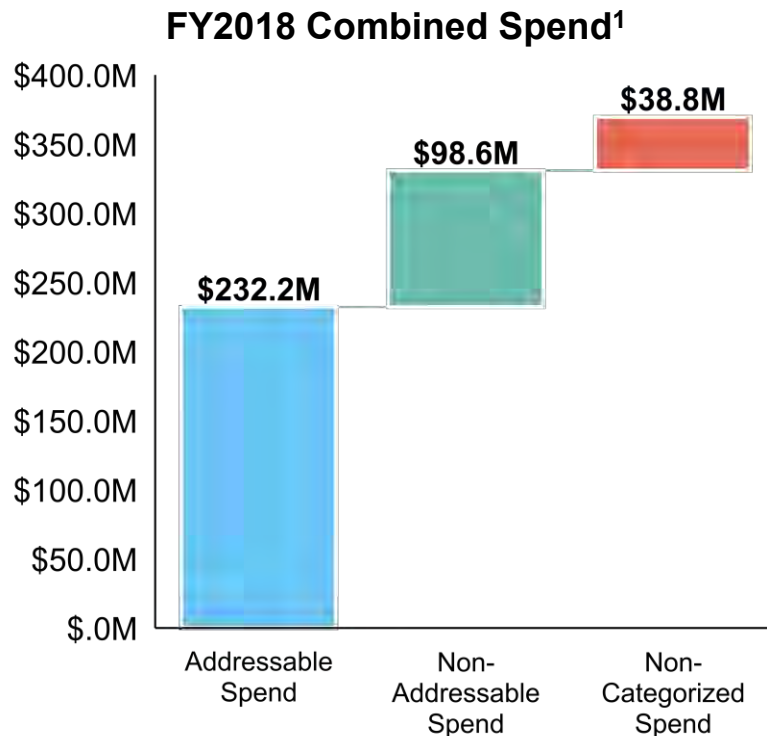
Our analysis suggests that substantial cost savings opportunities can be facilitated through the implementation of a cross-institutional and technology-driven purchasing process.

	Roadmap Activity	Detail	Time Horizon
4	eProcurement Solution Implementation	<ul style="list-style-type: none"> ▪ Implement a SaaS eProcurement solution that addresses manual processes, is easy for end-users to adopt, integrates with financial management system(s), and addresses other inherent challenges observed with current requisitioning tools ▪ Transition to a P2P process that: <ul style="list-style-type: none"> - Enables operational efficiencies across the entire lifecycle (e.g., e-Requisitions, e-Invoices) - Improves transaction processing, contract compliance, and financial reporting ▪ Encourage utilization of e-Requisitions for all low dollar/low risk purchases from catalog suppliers ▪ Consider assessing the travel and expense programs across institutions as an additional payment mechanism 	Intermediate-Term

3C.2 PURCHASING ANALYSIS

SPEND CATEGORIZATION OVERVIEW

Of nearly \$370M in FY2018 spend, **\$232M (63%)** represents a spend base for potential savings through strategic sourcing and contracting practices.



Note: Due to inconsistencies in data provided by institutions (currently non-addressable and non-categorized), Huron recommends further analysis prior to final deliberations. See additional notes on analysis approach on page 88.

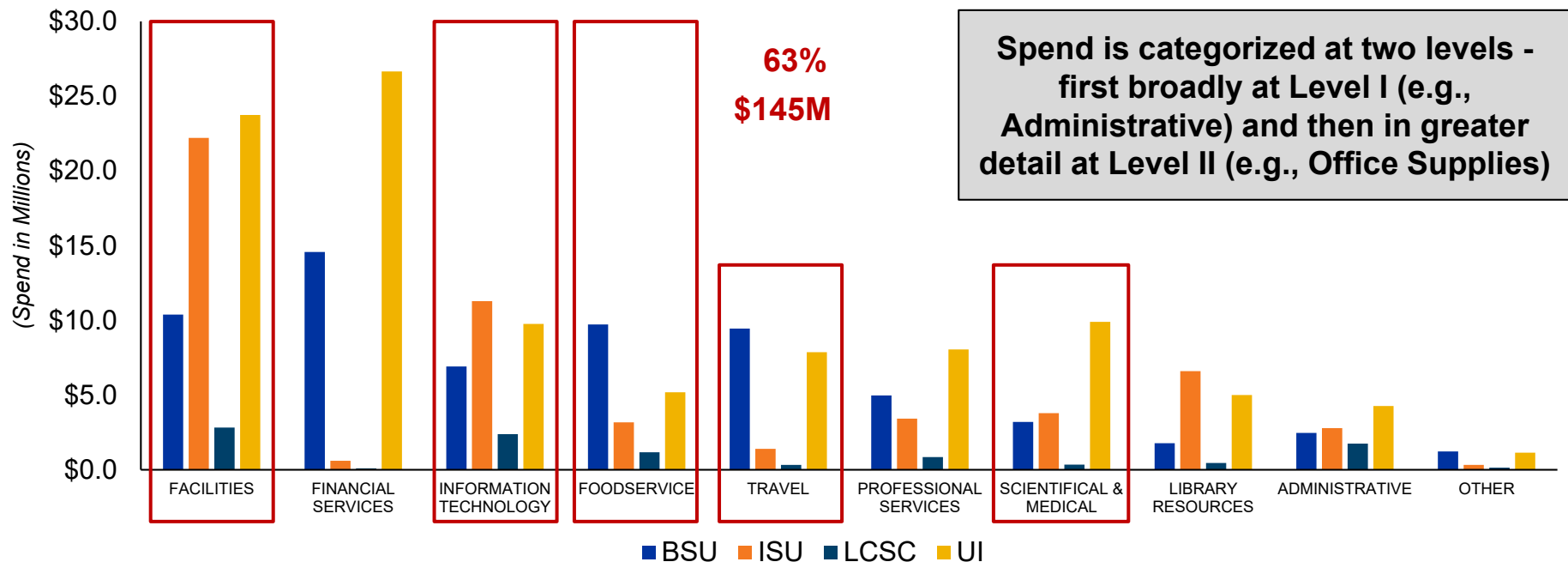
Addressable Spend – 63%
<ul style="list-style-type: none"> Vendor spend that can be influenced by sourcing efforts to achieve better pricing, financial incentive terms, and improved supplier relationships Addressable spend is divided into categories and commodity / service areas (Level I and II) to identify additional opportunities for savings
Non-Addressable Spend – 27%
<ul style="list-style-type: none"> Spend not addressable by strategic sourcing efforts Non-addressable spend is attributed to: <ul style="list-style-type: none"> Professional associations/organizations Government entities Payment to individuals (due to the lack of visibility into expense reimbursements)
Non-Categorized Spend – 10%
<ul style="list-style-type: none"> Over 20K additional vendors with nominal spend or unidentifiable names Uncategorized vendors account for nearly \$40M in estimated annual spend

3C.3 PURCHASING ANALYSIS

LEVEL I SPEND: ANALYSIS BY CATEGORY (1/2)

Five spend categories – Facilities, Information Technology, Foodservice, Travel and Scientific & Medical – account for \$145M (63%) of addressable spend.

FY2018 Spend by Level I Category



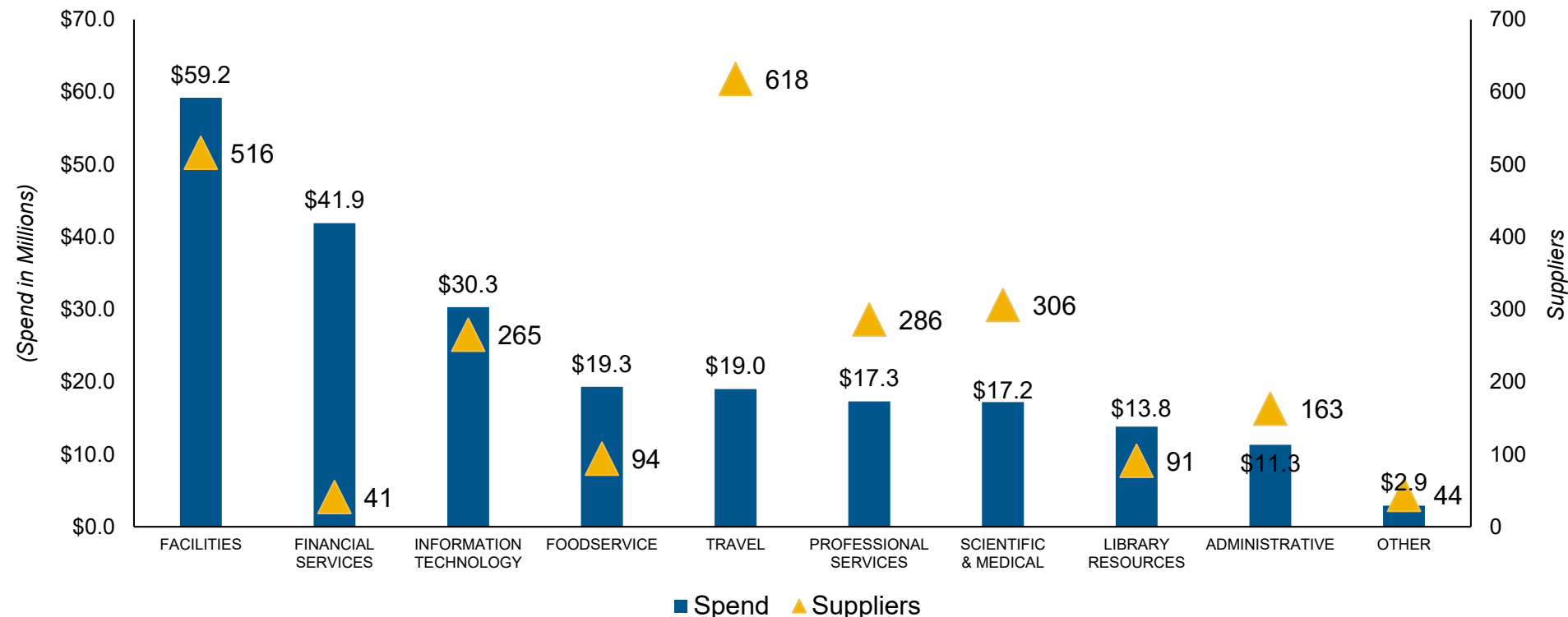
Within the top 5 Level I categories, excluding Financial Services, there are opportunities to leverage University spend, increase buying power, and strategically source products/services.

3C.3 PURCHASING ANALYSIS

LEVEL I SPEND: VENDOR BREAKDOWN BY CATEGORY (2/2)

Large vendor bases dilute the buying power and savings associated with preferred vendors, leading to inconsistent and increased pricing.

FY2018 Vendor Overview by Level I Category



Strategic sourcing activities in key categories can help to channel spend to preferred vendors, identify opportunities to negotiate contracts and reduce administrative costs.

3C.4 PURCHASING ANALYSIS

ADDRESSABLE SPEND SEGMENTATION BY P-CARD VS. AP/PO

Analysis of the FY2018 spend data by procurement channel – including AP, Purchase Order and P-Card – revealed approximately **\$37.3M** of total addressable spend is on P-Cards.

Spend In Millions (\$)		BSU		ISU		LCSC		UI			
	Fiscal Year 2018	Spend	%	Spend	%	Spend	%	Spend	%	Grand Total	% of Total
	P-Card Spend	\$14.5	22%	\$6.2	11%	\$2.8	27%	\$13.8	14%	\$37.3	16%
	AP/PO Spend	\$50.2	78%	\$49.3	89%	\$7.6	73%	\$87.8	86%	\$194.9	84%
	Total	\$64.7		\$55.5		\$10.4		\$101.6		\$232.2	

P-Cards Increase...	
Flexibility (ability to purchase from many vendors)	Risk (reduced process visibility and oversight)
Expediency (ability to quickly purchase goods/services)	Labor Cost (effort related to account coding and reconciliation)

Notes:

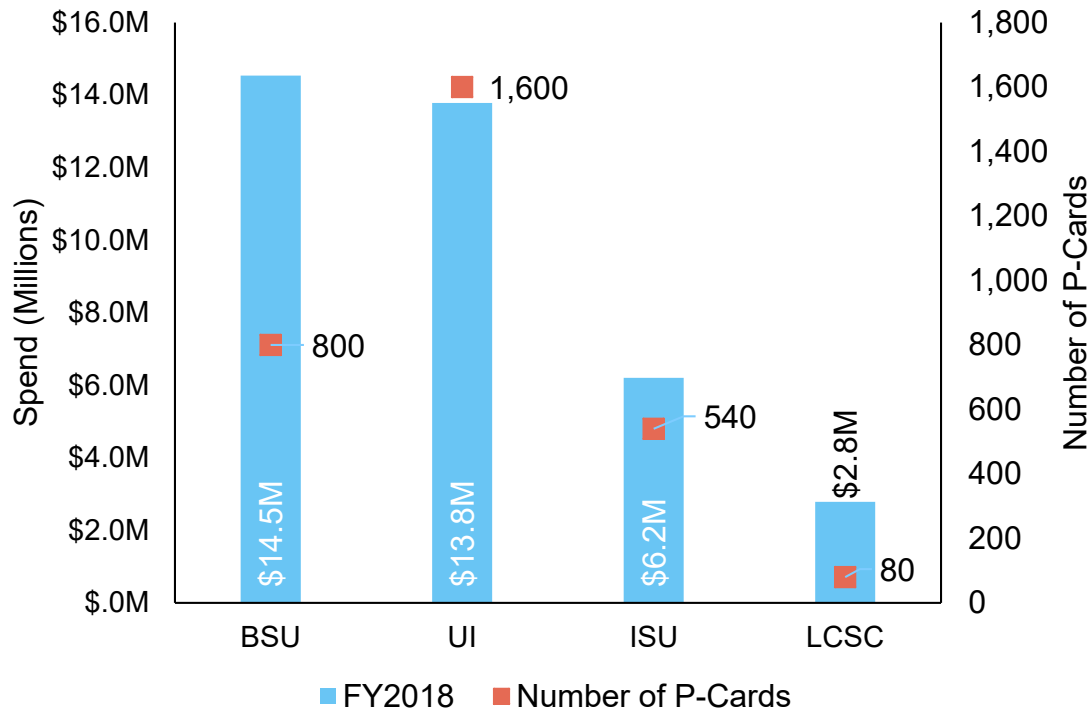
1. LCSC dataset included payments to internal departments including Athletics.
2. BSU spread payments (tuition) made to the State of Idaho have been excluded.
3. P-Card payments to vendors were excluded to avoid duplicative spend.
4. Some institutional spend includes utilities, payments to government entities and other higher ed institutions.

3C.5 PURCHASING ANALYSIS

NUMBER OF P-CARDS AND SPEND

More than 3,000 P-Cards are in circulation across the four institutions and the **\$37.3M** in addressable P-Card spend represents **16%** of total addressable spend.

FY2018 P-Card Spend and Usage



Top 20 FY2018 Vendors by P-Card Spend

Vendor	Total P-Card Spend (000s)
AMAZON.COM	\$2,609
OFFICE DEPOT	\$2,437
DELL MARKETING LP	\$1,472
ALASKA AIRLINES	\$1,350
DELTA AIRLINES	\$1,149
THERMO FISHER	\$1,040
CDW GOVERNMENT	\$1,008
UNITED AIRLINES	\$901
MARRIOTT HOTEL	\$854
SOUTHWEST AIRLINES	\$779
PAYPAL PAYMENTS	\$611
BRADY INDUSTRIES	\$573
ENTERPRISE RENTAL	\$487
GRAINGER	\$472
VWR INTERNATIONAL	\$464
HILTON HOTEL	\$457
NIKE	\$437
HOME DEPOT	\$346
XEROX CORP	\$329
AMERICAN AIRLINES	\$318

Vendors with Known Catalogues

Many of the top 20 vendors by P-Card spend support electronic requisitioning and invoicing while other vendors represent spend that could be managed through a travel program.

3C.6 PURCHASING ANALYSIS

LEVERAGING COMMON CONTRACTS

Huron's experience suggests that particular vendors present savings opportunities through the use of common contracts where state or independently negotiated contracts are used.

Potential Contract Opportunities

Supplier	Level 2 Category	State Contract	University 3rd Party Contract(s)	Potential Contract Opportunity	Combined FY2018 Spend (All Institutions)
Dell	Computer Hardware	✓	BSU	✓	\$3,962,227
HP	Computer Hardware	✓	BSU	✓	\$682,651
Amazon	IT Services/General Retail	✗	BSU / UI	✓	\$2,664,740
Grainger	MRO Products	✗	UI	✓	\$755,688
Blackboard	IT Software	✗	BSU / UI	✓	\$525,329
CenturyLink	Utilities	✓	BSU / UI	✓	\$716,442
Schindler	MRO Services	✗	UI / LCSC	✓	\$233,555
Agilent Technologies	Scientific Supplies	✗	UI	✓	\$408,417
Fisher Scientific	Scientific Supplies	✗	UI	✓	\$666,730
CDW	Computer Hardware	✗	UI	✓	\$1,657,366
Total					\$12,273,145
			Estimated Savings	2%-4% of Spend	\$0.2M-\$0.5M¹

Huron commonly observes savings opportunities between 2% and 4% of total spend by leveraging common contracts, though detailed projections require deeper analysis.

3C.7 PURCHASING ANALYSIS

EXAMPLE OF STRATEGIC SOURCING OPPORTUNITIES

An example of the approach that the four institutions may take to strategic sourcing within the context of a particular category of spend is detailed here.

Subcategory	Sourcing Activities	FY2018 Spend (\$K)	Estimated Savings (%)	Estimated Savings (\$K)
Scientific Supplies & Equipment	<ul style="list-style-type: none">▪ Institutions have 187 Scientific Supplies & Equipment Suppliers. The top 15 scientific suppliers represent 53% of total Scientific Spend suggesting there are opportunities to consolidate the vendor base and leverage aggregate spend through a competitively bid RFP or incumbent supplier negotiations for primary and secondary scientific suppliers.▪ Develop core list of 500-800 high volume/high transaction items that cover approximately 30% of total spend to drive product consolidation and cost savings. Negotiate category discounts for non-core purchases to obtain competitive discounts off manufacturer list price.▪ Identify opportunities for demand management and product standardization reducing product proliferation in scientific supplies subcategories.▪ Negotiate market competitive financial incentives appropriate for the combined institutional account size including one time contract signing and recurring volume rebate, prompt payment discount, etc.	\$12,220	8% - 11%	\$978 - \$1,344

To achieve savings, institutions may engage in more detailed spend analysis and strategic sourcing activities for this and other key subcategories as highlighted on page 23.

SECTION 3D: INFORMATION TECHNOLOGY ANALYSIS

3D.1 SYSTEMS ANALYSIS

SYSTEMS ROADMAP OVERVIEW (1/2)

The path from the current state to full systems and infrastructure alignment is predicated on foundational steps and the selection and implementation of a single ERP or aligned ERPs.

	Roadmap Activity	Detail	Time Horizon
1	Foundational Steps	<ul style="list-style-type: none"> Implement centralized IT governance with representation from all institutions¹ Establish a central Program Management Office (PMO) to oversee the application of IT strategy Centralize IT policy across the four institutions Develop a cross-institution strategy for enterprise architecture & cloud strategy 	Near-Term
2	ERP Assessment and Planning	<ul style="list-style-type: none"> Conduct a cross-institution review and assessment of ERP systems and business processes that use ERP 	Near-Term
3	ERP Implementation	<ul style="list-style-type: none"> Assess and standardize current business processes, roles, reporting, and technology portfolio Centralize data and storage across the four institutions Optimize and standardize services and software Implement a shared ERP environment which houses transactional and reporting data across the four institutions Establish data standards and streamline ad-hoc reports 	Intermediate-Term

Notes:

1. This is the primary prerequisite for all other actions along the roadmap.
2. Requires virtualization as a prerequisite.
3. Requires service rationalization as a prerequisite.
4. Requires IT Funding model and cloud strategy as a prerequisite.
5. Near-Term implies a 0-2 year time horizon.
6. Intermediate-Term implies a 2-6 year time horizon.
7. Long-Term implies a 6-10 year time horizon.

3D.1 SYSTEMS ANALYSIS

SYSTEMS ROADMAP OVERVIEW (2/2)

The following steps highlight key steps in transitioning to a synergistic technology environment across institutions.

	Roadmap Activity	Detail	Time Horizon
4	Funding Model Evaluation	<ul style="list-style-type: none"> Reevaluate existing IT funding model and create a transparent and centralized model 	Intermediate-Term
5	Systems and Infrastructure Rationalization	<ul style="list-style-type: none"> Review enterprise applications across the four institutions to identify opportunities to consolidate to single platforms aligned with the shared ERP system Audit existing licenses to determine opportunities for reduction Establish a fully virtualized centralized data center with service terms predicated on established SLAs and using the infrastructure-as-a-service model Reevaluate the existing service delivery model and consolidate commodity services Centralize data backup and recovery² Consolidate redundant enterprise applications and shadow systems used across all campuses.^{2,3,4} 	Long-Term
6	Workforce Consolidation	<ul style="list-style-type: none"> Centralize Server Administration with remote sites transitioned to VMWare or Data Center Centralize service desk operations³ Centralize IT security and consolidate vendors/platforms 	Long-Term

Notes:

1. This is the primary prerequisite for all other actions along the roadmap.
2. Requires virtualization as a prerequisite.
3. Requires service rationalization as a prerequisite.
4. Requires IT Funding model and cloud strategy as a prerequisite.
5. Near-Term implies a 0-2 year time horizon.
6. Intermediate-Term implies a 2-6 year time horizon.
7. Long-Term implies a 6-10 year time horizon.

3D.2 SYSTEMS ANALYSIS

ERP CONVERGENCE: ILLUSTRATIVE PLANNING OPTIONS

A cogent approach requires consideration of BSU's transition to the cloud, along with UI's and ISU's near-term ERP upgrade requirements (2-5 years).

1 Convergence Approach Options

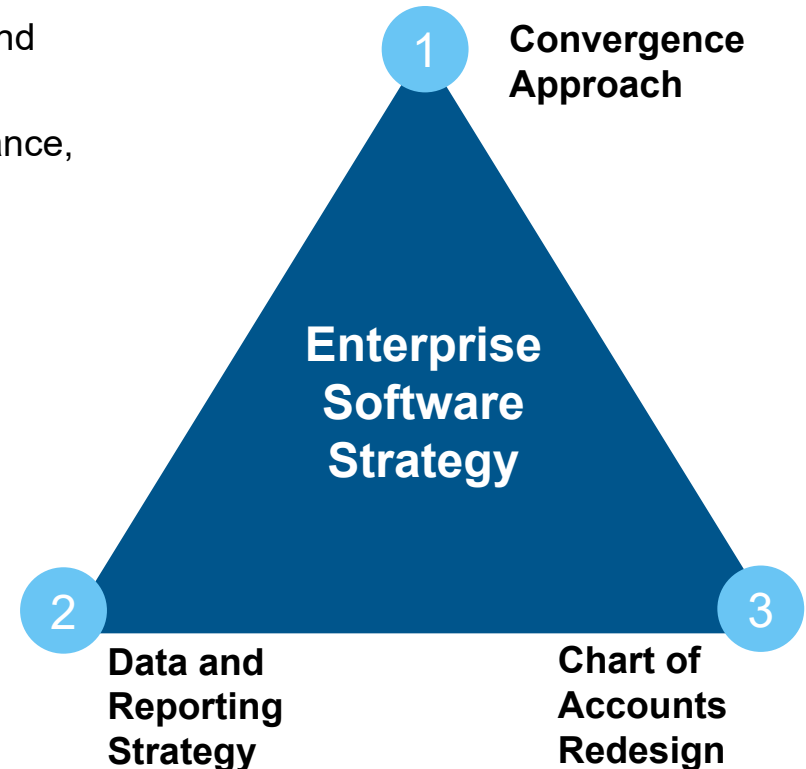
- Should the other institutions leverage Boise's design and configurations?
- Should the four institutions implement all modules (finance, HR, student) concurrently?
- Should the institutions implement concurrently or sequentially?

2 Data and Reporting Strategy Options

- How will data warehousing be managed?
- What will be norms for data stewardship and data governance?

3 Chart of Accounts Redesign Options

- What is the timing for chart of accounts alignment?
- How does it sequence with other projects?



3D.2 SYSTEMS ANALYSIS

ERP CONVERGENCE: CRITICAL PATH

While consideration of the full spectrum of IT activity along the roadmap is critical, the steps involved in ERP implementation alone are substantial.

ERP Assessment and Implementation

1 Assess and Recommend

- Assessment of current state operating model
 - Staffing
 - Roles and responsibilities
 - Business processes
 - Policies and procedures
- Identification of gaps
- Development of proposed future state operating model

2 Design

- Design future state business processes in collaboration with institutional stakeholders
- Select pilot processes to demonstrate success
- Finalize future state organizational redesign
- Develop technical design and security documents
- Design integrations with adjacent systems
- Finalize conversion plan

3 Configure and Test

- Design a test strategy and plan
- Build and execute test scripts
- Build application security
- Configure test environments
- Design a cutover approach
- Develop and test conversion programs
- Resolve all unit testing defects

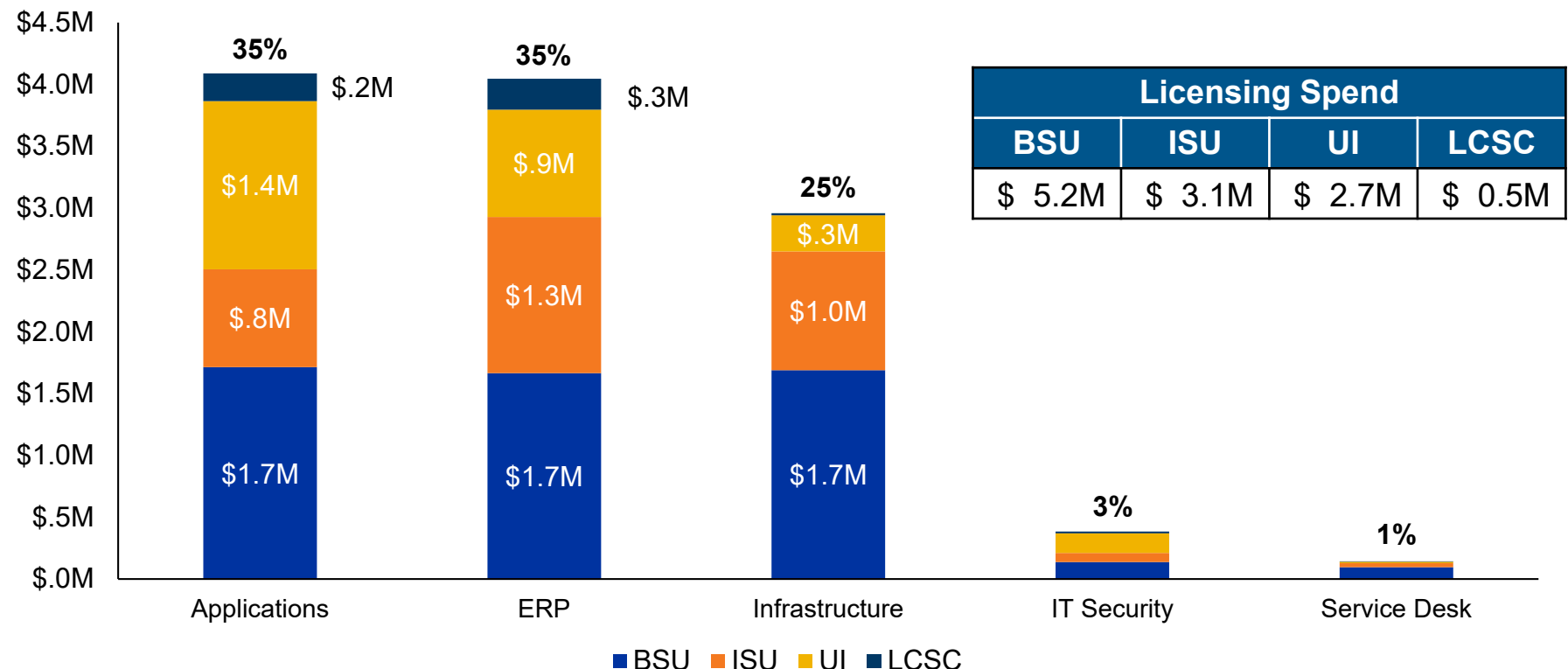
4 Finalize and Implement

- Evaluate test results
- Signoff on testing
- Design detailed cutover plan
- Test and validate conversion programs
- Execute mock conversions
- Resolve and test all defects
- Conduct implementation readiness assessment

3D.3 IT SPEND ANALYSIS

IT LICENSING SPEND TOTALS

IT licensing expenditure totals **\$11.5M** annually across the four institutions including spend related to ERP and related expenses, infrastructure, and enterprise applications.



Selected licensing spend categories represent 2-4% of non-labor operating expenditures.

SECTION 3E: SURFACED OPPORTUNITIES

3E.1 SURFACED OPPORTUNITIES

WORKFORCE-RELATED OPPORTUNITIES

Several opportunities were identified during stakeholder interviews that were out of scope but are enumerated in this section of the report.

1 Workforce Consolidation or Centralization

- Huron's experience suggests that there may be opportunities to consolidate functions that require domain expertise such as cybersecurity, economic development, and tech transfer
- Additional opportunities for workforce consolidation may be found in high-volume, repetitive functions such as travel for athletic operations
- Further consolidation may be possible in some functions such as server administration, although such consolidation is predicated on centralization of technology infrastructure

2 Resource Sharing

- Our interviews identified gaps that could be addressed by leveraging current capabilities at another institution among the four, including General Counsel, Internal Audit, and Instructional Design

3 Workforce Outsourcing

- Huron's experience suggests that opportunities to outsource institution-operated bookstores are generally advantageous and should be evaluated and pursued
- Additional opportunities for outsourcing of functions may be identified through further analysis of fleet operations and book store operations

3E.2 SURFACED OPPORTUNITIES

INSURANCE AND RESOURCE POOLING

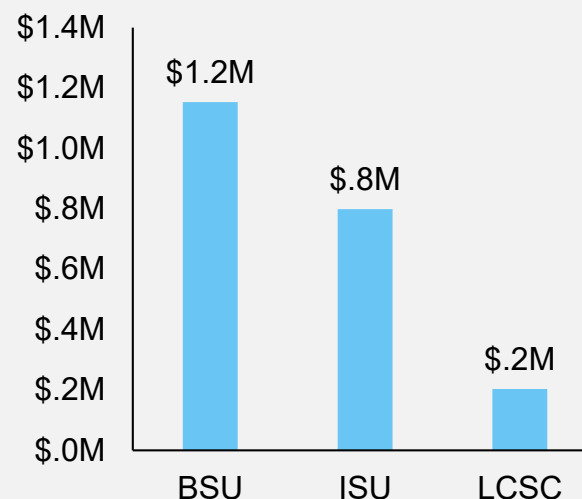
The nature of some opportunities allowed for additional analysis during this engagement.

4

Self-Insurance

- Alignment to the current University of Idaho medical and dental plans would allow institutions to:
 - Leverage their demographics relative to the state risk pool
 - Determine benefits and make changes as needed
- Potential risks include:
 - Added cost per individual relative to state plan
 - Plan design would need to be carefully considered to meet needs of individual institutions
- Athletics injury insurance may present an opportunity to consolidate coverage across institutions as well although this separate opportunity has not been evaluated in detail

Potential Annual Savings by Institution



5

Non-Labor Resource Pooling

- Our interviews suggested that opportunities may exist to pool some resources such as library storage, and library subscriptions across institutions

Further analysis is required to fully vet the potential savings and operational viability of these surfaced opportunities.

4

APPENDIX

APPENDIX I: NOTES REPOSITORY

WORKFORCE ANALYSIS (1/2)

Reference	Note
	Created Variables
3B.5	Central/Distributed: Functional support staff located in the colleges or outside their department are considered distributed (e.g., a finance employee in the Math Department, or an HR professional located in Facilities).
3B.5	Functional Support Staff: Employees were coded as Finance, HR, Research Administration, or Information Technology using their department and job title, with job title taking precedence (e.g., an IT analyst located in the Human Resources department is considered an IT employee)
3B.5	Generalists: Generalists were coded by title. Example titles are found on page 19.
3B.5	Post-Award staff: Any employee in the research administration with post-award function title was included (e.g., Post-Award, Compliance, Grant Accounting, Grants/Contract Specialist, Sponsored Project Administrator).
3B	Salary and Benefits: The most recent available fringe rates (FY19) were used to calculate fully-loaded salaries at each institution: https://www.uidaho.edu/finance/budget-office/fringe-benefits https://vpfa.boisestate.edu/budget-and-planning/fringe-rates/ https://www.isu.edu/research/research-support/osp/financial-rates/ http://www.lcsc.edu/budget/
3B.5	Senior/Academic Admins: Senior Admins: Assistant/Associate Director and above, Academic Admins: Assistant/Associate Dean and above
3B.5	Tier 1 IT: Tier 1 IT employees were identified by title. Titles include: Tech Support Specialist, Tech Support Specialist Team Lead, IT Support Technician, Technology Solutions Partner

APPENDIX I: NOTES REPOSITORY

WORKFORCE ANALYSIS (2/2)

Reference	Note
	Data Exclusions
3B.3	Spans and Layers analysis: Spans and Layers analysis is derived from the personnel file. Headcount excludes students, temporary workers, adjuncts, and secondary jobs, as well as faculty and athletic admins . Faculty admins (deans, assistant deans, etc.) are included. Additionally, faculty and athletic admins who supervise administrative employees are counted as supervisors. Any individual that was missing supervisory data at any level was excluded from this analysis (n=97).
3B.4	Functional Support Staff analysis: This analysis excludes students, temporary workers, adjuncts, secondary jobs and senior admins.
	Analysis Notes
3B.3	Spans and Layers: Supervisory structure determined by supervisor listed for each employee in the personnel file
3B.4	Functional Staff Optimization/Centralization Savings: Savings were generated by multiplying the FTE above the Optimum Ratio by the median fully-loaded salary for that category. The savings range represents the generated point estimate +/-20%.

APPENDIX I: NOTES REPOSITORY

PURCHASING ANALYSIS

Reference	Note
3C	Vendor payments for P-Cards and fleet cards were removed when combining the various data sources to avoid duplication of spend data.
3C	Individual reimbursements were recorded in the universities' spend under the individual names. These entries were normalized to a single vendor name "Individual Payment" and were not included in categorized spend analysis.
3C	Huron was provided with a revised data set for Boise State University reflecting AP spend. This new data file may not reflect all AP spend for BSU. Detailed data discussions suggest that potential exclusions impact types of spend categorized as non-addressable and thus not included in detailed analysis and savings opportunity calculations. Huron reviewed and validated original and revised data sets with procurement departments from each in-scope institution.
3C	<p><u>Huron's Purchasing Analysis Process (Summary)</u></p> <ol style="list-style-type: none"> 1. Submit data request and review data provided by institutions 2. Conduct stakeholder interviews and request clarification 3. Remove duplicate data (e.g., payment to P-Card vendors in addition to total P-Card transactions) 4. Categorize data into Level I and Level II based on Huron's taxonomy <ol style="list-style-type: none"> a. Level I example: Administrative (High-Level) b. Level II example: Office Supplies (Detail) 5. Categorize by addressable, non-addressable, and non-categorized spend based on Huron's expertise in strategic sourcing and supplier contract negotiation <ol style="list-style-type: none"> a. Addressable spend example: Office Supplies b. Non-addressable spend example: Payments to the state government c. Non-categorized spend example: Payments to an individual or unknown supplier 6. Validate categorizations with client 7. Recommend approach over time based on anticipated value and effort required

APPENDIX II: INTERVIEW LIST

BOISE STATE UNIVERSITY (1/2)

Name	Title
Alicia Estey	Senior AVP Campus Operations
Alexis Rowland	Senior Business Manager
Brian Bolt	Deputy CIO
Corbin Harp	Business Manager, College of Business and Economics
Corey Cook	Dean, School of Public Service
Diana Esbensen	Business Manager, College of Education
Evelyn Redshaw	Senior Business Manager, College of Arts and Sciences
Greg Hahn	AVP Communications and Marketing
Jo Ellen DiNucci	AVP Finance and Administration
JoAnn Lightly	Dean, College of Engineering
Leslie Durham	Interim Dean, College of Arts and Sciences
Leslie Webb	VP Student Affairs
Lynn Harrsch	Senior Business Manager
Mark Bannister	Interim Dean, College of Business and Economics
Mark Heil	CFO, VP Finance
Mark Wheeler	Dean, Division of Extended Studies

Note: some stakeholder interviews included more than one participant listed above.

APPENDIX II: INTERVIEW LIST

BOISE STATE UNIVERSITY (2/2)

Name	Title
Marty Schrimpf	Interim President
Matt Wilde	General Counsel
Max Davis-Johnson	CIO
Randi McDermott	COO, VP Campus Operations
Rich Osguthorpe	Dean, College of Education
Rob Pangaro	Business Ops Manager, College of Business and Economics
Roger Brown	Director, Government and Community Relations
Shawn Miller	AVP Human Resources
Terri Spinazza	Purchasing Director
Tim Dunnagan	Dean, College of Health Sciences
Tony Roark	Interim Provost, VP Academic Affairs
Troy Haan	Director, Development and BIRS
Focus Group: Administrative Support Staff	---

Note: some stakeholder interviews included more than one participant listed above.

APPENDIX II: INTERVIEW LIST

IDAHO STATE UNIVERSITY (1/3)

Name	Title
Adam Jacobsmeyer	Executive Director of Treasury, Business Services & Policy
Angie Dangerfield	University Business Officer, College of Arts and Letters
Anita Smith	Dean, College of Nursing
Bob Hite	Interim Controller
Brian Hickenlooper	Interim CFO
Brian Sagendorf	Director, Human Resources
Cheryl Hanson	AVP Facilities Services
Chris Owens	Interim Dean, College of Pharmacy
Cornelis Van der Schyf	VP Research
Craig Thompson	Housing Director
David Buck	Director, Purchasing Services
Deb Gerber	University Business Officer, College of Business, Library
Fred Parish	University Business Officer, College of Science and Engineering
George Casper	Director of Events
Jim Kramer	University Business Officer, Athletics
Joanne Hirase-Stacey	General Counsel

Note: some stakeholder interviews included more than one participant listed above.

APPENDIX II: INTERVIEW LIST

IDAHO STATE UNIVERSITY (2/3)

Name	Title
Joe Wilcox	University Business Officer, Kasiska Division of Health Sciences
Kandi Turley-Ames	Dean, College of Arts and Letters
Karl Bridges	Dean, University Librarian
Kathleen Kangas	Dean, College of Rehab and Comm Sciences
Kathryn Hildebrand	Dean, College of Education
Kent Tingley	VP University Advancement
Kevin Satterlee	President
Laura McKnight	Dean, College of Health Professions
Laura Woodworth-Ney	Exec VP & Provost
Lisa Lewis Mangum	Director, Enterprise Applications
Lisa Leyshon	Associate Controller
Lyle Castle	Vice Provost Outreach, Dean for Idaho Falls
Lyn Redington	VP Student Affairs
Lynette Mitchell	AVP Finance
Michael Alvord	University Business Officer, College of Technology
Patricia Marincic	AVP ISU Meridian

Note: some stakeholder interviews included more than one participant listed above.

APPENDIX II: INTERVIEW LIST

IDAHO STATE UNIVERSITY (3/3)

Name	Title
Pauline Thiros	Interim Athletic Director
Randy Gaines	CIO
Ron Solbrig	Director, Health Center
Scott Rasmussen	Dean, College of Technology
Scott Scholes	AVP Enrollment Management
Scott Snyder	Dean, College of Science and Engineering
Staci Phelan	University Business Officer, Student Affairs
Stuart Summers	AVP Marketing and Comm
Tom Ottaway	Dean, College of Business
Focus Group: Administrative Support Staff 1	---
Focus Group: Administrative Support Staff 2	---

Note: some stakeholder interviews included more than one participant listed above.

APPENDIX II: INTERVIEW LIST

LEWIS CLARK STATE COLLEGE

Name	Title
Allen Schmooock	CIO/CTO
Andrew Hanson	VP Student Affairs
Celeste McCormick	IT Help Desk Manager
Cynthia Pemberton	President
Fred Chilson	Dean, School of Professional Studies
Jeff Ober	Dean, Career and Technical Education
Julie Crea	Sr Director, Budget Office
Logan Fowler	VP Comm/Marketing
Lori Stinson	Provost
Mary Flores	Dean, School of Liberal Arts and Sciences
Sheila Kom	Head of Procurement
Todd Kilburn	VP Finance, CFO
Tom Garrison	VP Facilities
Vikki Swift-Raymond	VP Human Resources
Focus Group: Administrative Support Staff	---
Focus Group: Enterprise System Stakeholders	---

Note: some stakeholder interviews included more than one participant listed above.

APPENDIX II: INTERVIEW LIST

UNIVERSITY OF IDAHO (1/2)

Name	Title
Brian Borchers	Lead, Enterprise Systems
Brian Foisy	VP Finance/CFO
Brian Johnson	VP Facilities
Cathy Roheim	Senior Associate Dean, College of Agriculture and Life Sciences
Chuck Staben	President
Dan Ewart	CIO
Dennis Becker	Interim Dean, College of Natural Resources
Ginger Carney	Dean, College of Science
Greg Cain	Interim AVP Auxiliary Services
Janet Nelson	VP Research
Janice Todish	Lead Business Officer, College of Letters, Arts, and Social Sciences
Joe Christensen	Lead Business Officer, College of Business and Economics
John Wiencek	Provost
Julia McIlroy	Director, Purchasing Services
Kent Nelson	General Counsel
Linda Campos	Controller

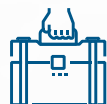
Note: some stakeholder interviews included more than one participant listed above.

APPENDIX II: INTERVIEW LIST

UNIVERSITY OF IDAHO (2/2)

Name	Title
Lisa Miller	Lead Business Officer, Auxiliary Services
Marc Chopin	Dean, College of Business and Economics
Margarita Cardon	Lead Business Officer, College of Agriculture and Life Sciences
Mellody Miller	Lead Business Officer, College of Science
Michael Parrella	Dean, College of Agriculture and Life Sciences
Sean Quinlan	Interim Dean, College of Letters, Arts, and Social Sciences
Stefany Bales	VP Comm/Marketing
Steve Hacker	Lead Business Officer, College of Natural Resources
Wes Matthews	Executive Director, Human Resources
Focus Group: Administrative Support Staff 1	---
Focus Group: Administrative Support Staff 2	---

Note: some stakeholder interviews included more than one participant listed above.



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