

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

TAB	DESCRIPTION	ACTION
1	FY 2018 OPERATING BUDGETS	Motion to approve
2	FY 2019 LINE ITEMS	Motion to approve
3	IDAHO STATE UNIVERSITY First Amendment to the Joint Operations and Maintenance Agreement between Idaho State University and West Ada School District	Motion to approve
4	IDAHO STATE UNIVERSITY Temporary Parking Memorandum of Agreement between West Ada School District and Idaho State University	Motion to approve
5	UNIVERSITY OF IDAHO Disposal of Real Property – Twin Larch, Latah County	Motion to approve
6	UNIVERSITY OF IDAHO New Program Fee – Greek Life	Motion to approve
7	LEWIS-CLARK STATE COLLEGE Career Technical Education Center Project – Planning and Design	Motion to approve

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

SUBJECT

Approval of FY 2018 Appropriated Funds Operating Budgets

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Section II.F.b.v.; V.B.3.b.ii., 4.b., 5.c, 6.b.

BACKGROUND/DISCUSSION

Pursuant to Board policy V.B., each institution and agency prepares an operating budget for appropriated funds, non-appropriated auxiliary enterprises, non-appropriated local services, and non-appropriated other.

For the appropriated funds operating budget, Board policy V.B.3.b.ii provides as follows: “each institution or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the Executive Director, for review and formal approval before the beginning of the fiscal year.” The appropriated operating budgets have been developed based on appropriations passed by the Legislature during the 2017 session.

For the college and universities’ non-appropriated operating budgets, Board policy V.B. requires reports of revenues and expenditures to be submitted to the State Board of Education at the request of the Board. Currently, these operating budgets are submitted to the Board office and are available upon request.

Operating budgets are presented in two formats: budgets for agencies, health education programs, and special programs contain a summary (displayed by program, by source of revenue, and by expenditure classification) and a budget overview that briefly describes the program and changes from the previous fiscal year. All sources of revenues are included (i.e. General Funds, federal funds, miscellaneous revenue, and any other fund source).

For the college and universities, postsecondary career technical education and agricultural research and extension, supplemental information is provided including personnel costs summarized by type of position. The college and universities’ reports only contain information about appropriated funds, which include state General Funds, endowment funds, and appropriated student fees.

IMPACT

Approval of the budgets establishes agency and institutional fiscal spending plans for FY 2018, and allows the agencies and institutions to continue operations from FY 2017 into FY 2018.

ATTACHMENTS

Attachment 1 – FY18 Operating Budgets Index

Page 3

BUSINESS AFFAIRS AND HUMAN RESOURCES

JUNE 15, 2017

STAFF COMMENTS AND RECOMMENDATIONS

Budgets were developed according to legislative intent and/or Board guidelines. There was funding for a 3% ongoing Change in Employee Compensation (CEC) in FY 2018. Representatives from the institutions will be available to answer specific questions.

Page 32 presents a system-wide summation of personnel costs by institution, by classification and also includes the number of new positions added at each institution. Board policy requires prior Board approval for the following positions:

- Salaries for new appointments to dean, associate/assistant dean, vice president and equivalent positions above the College and University Professional Association for Human Resources (CUPA-HR) median rate for such positions.
- Any position at a level of vice-president (or equivalent) and above, regardless of funding source. (II.B.3.a.)
- The initial appointment of an employee to any type of position at a salary that is equal to or higher than 75% of the chief executive officer's annual salary. (II.B.3.b.)
- The employment agreement of any head coach or athletic director (at the institutions only) longer than three years, or for a total annual compensation amount of \$200,000 or higher, and all amendments thereto. (II.B.3.c.)
- Non-classified employee contracts (other than for athletic directors or coaches) over one year. (II.F.b.v.)

All other hiring authority has been expressly delegated to the presidents. Therefore, Board review of the operating budgets is the only time the Board sees the number of new positions added year-over-year.

For informational purposes only, the list of FY 2018 maintenance (Alteration and Repair) projects recommended by the Permanent Building Fund Advisory Council is included starting at page 41.

BOARD ACTION

I move to approve the FY 2018 operating budgets for the Office of the State Board of Education, Idaho Public Television, Division of Vocational Rehabilitation, College and Universities, Career Technical Education, Agricultural Research and Extension Service, Health Education Programs and Special Programs, as presented in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

FY18 AGENCIES & INSTITUTIONS OPERATING BUDGETS INDEX

Overview

Pie Charts of Programs – FY 2018 General Funds	5
--	---

Agencies

Office of the State Board of Education	6
Idaho Public Television.....	7
Idaho Division of Vocational Rehabilitation.....	8

College & Universities

Budget Summary by Function by Classification – Charts	9
College & Universities Summary	10
Boise State University.....	11
Idaho State University.....	15
University of Idaho	19
Lewis-Clark State College.....	23
Budgeted Positions by Type – Charts	27
Personnel Cost Summary	28

Postsecondary Programs – Career Technical Education

Overview	29
Operating Budget Distribution by Activity & Expense Standard Class.....	30
Personnel Cost Summary.....	31

Agricultural Research & Extension

Overview	33
Operating Budget Distribution by Activity and Expense Class.....	34
Personnel Cost Summary.....	35

Health Education Programs

Budget Summary and Budget Overview.....	37
---	----

Special Programs

Budget Summary and Budget Overview.....	39
---	----

Capital Improvement Budget Summary

Permanent Build Fund Maintenance Projects	41
---	----

THIS PAGE INTENTIONALLY LEFT BLANK

BUSINESS AFFAIRS AND HUMAN RESOURCES

JUNE 15, 2017

AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY 2019 Line Item Budget Requests

REFERENCE

April 2017

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

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/ DISCUSSION

As discussed at its April 2017 meeting, the State Board of Education (Board) directed the college and universities to limit Fiscal Year 2019 budget line item requests to those which will measurably support implementation of the Board's strategic plan. Institutions may request up to two (2) line items in priority order, the total value of which shall not exceed five percent (5%) of an institution's FY2018 total General Fund appropriation. Any requests for occupancy costs will not count towards the two line item limit or the 5% cap.

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

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

IMPACT

Once the Board has provided guidance on priority, category, dollar limit, etc., Board staff will work with the Business Affairs and Human Resources (BAHR) Committee, DFM and the agencies/institutions to prepare line items to be approved at the August Board meeting.

ATTACHMENTS

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

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

STAFF COMMENTS AND RECOMMENDATIONS

Staff asked the institutions to provide as much detail as possible for their line item requests to be submitted for the June Board meeting.

In the past few years, best practices were further enhanced in terms of information needed in order for DFM and LSO analysts to conduct their own analysis in support of policymakers:

- Write-ups need a strong problem statement supported with data and strong solution statement supported with outcome data.
- Where applicable, include projected Return on Investments (ROIs) for new programs or program expansion (i.e. where funding for a program has been provided in the past).
- Requests should be scalable and prioritized.
- Address the influence of program prioritization on the request. Did the institution consider reallocating funding for this line-item?
- Describe how the request advances the Board's 60% Educational Attainment Goal or the Board's Complete College Idaho Plan (if applicable).

Per the Board's guidance, 5% of the College & Universities' FY 2018 total General Fund appropriation equates to the following:

BSU: \$4,810,600
ISU: \$3,852,500
UI: \$4,571,600
LCSC: \$ 864,700

BOARD ACTION

I move to direct the Business Affairs and Human Resources Committee to review the FY 2019 budget line items as listed on the Line Items Summary at Tab 2 pages 3-6, and to bring recommendations back to Board for its consideration at the regular August 2017 Board meeting.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

IDAHO STATE UNIVERSITY

SUBJECT

First Amendment to the Joint Operations and Maintenance Agreement between Idaho State University (ISU) and the Joint School District No. 2 (also known as the "West Ada School District").

REFERENCE

April 2007	State Board of Education (Board) approved the purchase by ISU of approximately one-third of a building owned by Joint School District No. 2 for \$5,200,000.
December 2007	Joint School District No. 2 and ISU entered into a Master Declaration Agreement to put restrictions on the parties' respective parcels and to include reciprocal easements in favor of each other over the common areas.
December 2007	Joint School District No. 2 and ISU entered into a Joint Operations and Maintenance Agreement for the joint use and maintenance of the property, and the common operation, cleaning, maintenance, repair, replacement, and insurance coverage for the common area.
August 2016	Board approved execution of Ground Lease for ICOM to build its medical education building on the ISU-Meridian campus.

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

In 2007, ISU purchased part of a building owned by the Joint School District No. 2, (West Ada School District). The parties entered into a Master Declaration Agreement and a Joint Operations Agreement on December 4, 2007. The Joint Operations Agreement governs the maintenance and operation of the common areas of the property.

On September 15, 2016, ISU entered into a Ground Lease with the Idaho College of Osteopathic Medicine (ICOM) for the creation of a college of osteopathic medicine on the ISU-Meridian campus. Under the terms of the Ground Lease, ISU leased 2.8 acres, owned by ISU, for ICOM to build its school and related improvements. The Ground Lease obligates ICOM to abide by both the Master Declaration Agreement and the Joint Operations Agreement.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

ISU and the West Ada School District would like to amend the Joint Operations and Maintenance Agreement to clarify two things:

1. That references in the Joint Operations and Maintenance Agreement to “Building” are to the “shared building jointly occupied by ISU and the West Ada School District; and
2. To provide that ISU will pay the West Ada School District \$5,334 per month to compensate the West Ada School District for the 2.75 acres of common area included in the ICOM Ground Lease within the definition of “Effective Land Area.” Rent under the ICOM Ground Lease is calculated based on the rate of \$0.79 per square foot multiplied by the Effective Land Area. The payment from ISU to the West Ada School District allows the West Ada School District to receive compensation for its share of ICOM’s rent payment attributable to the common area.

IMPACT

ISU will pay a portion of the lease monies received from ICOM to West Ada School District monthly. This payment will increase by 2% each year, which mirrors the annual increase rent ISU will receive from ICOM under the Ground Lease.

ATTACHMENTS

Attachment 1 – First Amendment to the Joint Operations and Maintenance Agreement Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The proposed amendments clarify that references in the Joint Operations and Maintenance Agreement to “Building” are to the building jointly occupied by ISU and the West Ada School District. The proposed amendments also provide for compensation to the West Ada School District for its proportionate share of rent attributable to the inclusion in the ICOM Ground Lease of common area within the area for which ISU receives rent payments from ICOM.

Staff recommends approval.

BOARD ACTION

I move to authorize Idaho State University to enter into the First Amendment to the Joint Operations and Maintenance Agreement as presented in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

IDAHO STATE UNIVERSITY

SUBJECT

Approval of the Temporary Parking Memorandum of Agreement between West Ada School District (District) and Idaho State University (ISU).

REFERENCE

February 2016

Idaho State Board of Education (Board) approved a Collaborative Affiliation Agreement between ISU and the Idaho College of Osteopathic Medicine (ICOM).

August 2016

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

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

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

The construction of the ICOM building necessitates a need for additional ISU parking for faculty, staff, and students. ISU and the District have agreed to a short-term agreement, which allows ISU to park in certain areas of the District staff parking lot as well as in the Jabil Fields parking lot. ISU will maintain these areas, ensure permits are purchased, and issue citations to violators.

ISU will work with the District and ICOM on a long-term resolution that will be presented for approval at a future Board meeting.

IMPACT

This agreement will ensure that both the District faculty, staff, and students and ISU faculty, staff, and students have enough parking spaces during the construction of the ICOM building.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

ATTACHMENTS

Attachment 1 – Temporary Parking MOA

Page 3

Attachment 2 -- Map

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

The proposed Memorandum of Agreement (MOA) - which would provide 110+ additional parking spaces for use by ISU personnel/students during the construction of the ICOM facility—includes a provision that the MOA will be reviewed and modified (if needed) on an annual basis—and that the agreement can be canceled or modified with 60-days' notice. There is not a termination date contained within the MOA.

Staff recommends approval.

BOARD ACTION

I move to authorize Idaho State University to enter into a short-term agreement with West Ada School District as presented in Attachment 1, and to authorize the university to proceed with negotiations on a long-term agreement.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

UNIVERSITY OF IDAHO

SUBJECT

Disposal of Regents real property in Latah County, Idaho (Twin Larch).

REFERENCE

April, 2007

Idaho State Board of Education (Board) approved transfer of Twin Larch property from UI Foundation to the University of Idaho.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

The Twin Larch Property (42 acres of rural property located on the side of Moscow Mountain in Latah County) was originally granted to the University of Idaho Foundation (UI Foundation) in 1996 for the purpose providing the University of Idaho (UI) with a preserve and retreat center. In 2007 the Regents approved transfer of the property from the UI Foundation to the University. This was in conjunction with an agreement between the donor and the UI to have UI invest funds to modify the residence so that it would be more suitable for its proposed use as a retreat center. UI administration proposed taking ownership from the UI Foundation prior to making any capital improvements, and since Regents' approval of the transfer, UI has owned and managed the property as a retreat center in accordance with the donor's specific gift conditions. After making modest improvements to the property and maintaining the relatively remote facility, UI has since concluded the property is not suitable for the donor's intended use.

Upon this determination and in accordance with the donor's specific conditions for disposal, UI administration is proposing to convey the property to another nonprofit entity that is willing to meet the donor's conditions for use, or if no such entity agrees to take the property under those terms, UI will market the property and accept a reasonable offer that will recover UI's modest capital investment in the property and, in accordance with the donor's specific conditions for disposal, UI will then direct the remaining proceeds to another charitable organization that has been specifically identified by the donor.

IMPACT

Twin Larch no longer serves any programmatic purpose for the UI. Its disposal will eliminate caretaking costs and UI anticipates no need to seek alternative facilities to accomplish the specific uses for which it originally accepted the gift.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

ATTACHMENTS

Attachment 1 – Area Photographs

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The proposed disposal of the (no longer needed) property described herein requires prior Board approval, as required by Board Policy V.I.5.b.iii. on the transfer of any interest in real property under the control of an institution.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to dispose of the Twin Larch property in accordance with the conditions of the donor, in the manner described in the materials presented to the Board; and further to authorize the Vice President for Infrastructure for the University of Idaho to execute all necessary transaction documents for the conveyance.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

UNIVERSITY OF IDAHO

SUBJECT

Approval of a new Greek Life Program Fee effective fall, 2017

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

The University of Idaho (UI) wishes to establish a Greek Program Fee which will be charged only to students participating in the Fraternity and Sorority Life system. The fee will be charged on a per semester basis in the amount of fifty dollars (\$50) starting fall, 2017. The UI estimates annual revenue from this fee of \$160,000 which will be used specifically for additional staffing and programming within the Greek system. In addition to adding an additional staff person to be a direct support to our students, planned additional programming includes education on hazing, drugs, alcohol, student leadership development, mental wellness, sexual harassment and misconduct, and by-stander intervention.

IMPACT

This new fee will allow for increased student retention, student success, and student access to support at the UI.

STAFF COMMENTS AND RECOMMENDATIONS

Staff confirmed with UI administrators that the proposed fee would apply to all sorority and fraternity members actively participating in the Greek system, including those not living in a fraternity or sorority house during the semester. Administration also confirmed that the proposed fee had been discussed with members of the University's Greek system.

This proposal differs in some respects from the student activity fee proposals normally reviewed and approved by the Board each year in April, and from the "institutional local fees and charges approved by Chief Executive Officer" listed in State Board of Education (Board) Policy V.R.3.c. The proposed fee does not apply to all students (which would place it in the category of student fees approved by the Board in accordance with V.R.3.b.); nor is it one of the categories of fees specifically listed in V.R.3.c (i.e. continuing education fee, course overload fee, special course fees, or processing fees/permits/fines). The Board may wish to consider whether Policy V.R.3.c. should be amended in the future to include president/provost approval authority for other non-course related activities limited to specific users and activities—closing an apparent gap in the wording of the current policy.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

While the proposed Greek activity fee applies only to one segment of the UI student population, the topics listed above for training/education/advising (e.g., drug and alcohol abuse, mental wellness, sexual harassment) are relevant to all members of the university community.

Staff recommends approval.

BOARD ACTION

I move to approve the request by the University of Idaho to establish a Greek Life Fee in the amount of fifty dollars (\$50) per semester, effective fall 2017.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

BUSINESS AFFAIRS AND HUMAN RESOURCES

JUNE 15, 2017

LEWIS-CLARK STATE COLLEGE

SUBJECT

Planning and Design Approval for the Lewis-Clark State College Career Technical Education Center

REFERENCE

December 26, 2016 The Idaho State Board of Education (Board) approved the revised six-year Capital Budget Request plan for Lewis-Clark State College (LCSC), which included the proposed Career Technical Education Center.

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Lewis-Clark State College (LCSC) is requesting Board approval to proceed with planning and design for the Career Technical Education Center project.

LCSC wishes to expand its Career Technical Education (CTE) programs in response to regional industry demands to provide a trained labor force. This opportunity is being presented as a joint effort with the Lewiston School District as they initiate construction of a new high school and Career Technical Education Center that will be adjacent to property owned by LCSC and the City of Lewiston on Warner Avenue in the Lewiston Orchards. The project will be owned and operated separately from the high school but will collaborate with the high school in providing technical education for high school students, as well as the post-secondary population within the region. LCSC wishes to provide a modern building that will house all of its Technical & Industrial (T&I) CTE programs with room for expansion and the flexibility to adjust training programs directed at the regional employers' needs.

Many of the programs have waiting lists and all of the programs are in demand from local industrial companies. Current T&I buildings on the Normal Hill campus cannot accommodate these increases. The proposed new building will provide the needed lab, classroom and office space required to meet anticipated demand. In addition, the building configuration will provide room for expansion and growth as a Career Technical Education Center.

IMPACT

The total project cost is currently estimated to be \$20 million, including design and construction costs, contingency allowances, and fixtures, furniture and equipment (FF&E) estimates. The immediate fiscal impact is the cost of the planning and design phase of the overall project (\$1,550,000).

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

Funding for this project is to be provided through funds appropriated by the Legislature through the Permanent Building Fund and institutional reserves. While LCSC's plan is to supplement those reserves with grants and donations, it is anticipated that LCSC will have capacity to meet the required match to the Permanent Building Fund allocation with institutional reserves.

Overall Project

ESTIMATED BUDGET:		FUNDING:	
Land	\$ 0	PBF	\$ 10,000,000
A/E Design Fees	1,550,000	Grants/Donations	2,000,000
Construction	14,000,000	Agency Funds	<u>8,000,000</u>
5% Contingency	700,000		
Equipment/FF&E	3,000,000		
Inflation, Moving Expense & Other	<u>750,000</u>		
Miscellaneous			
Total	\$ <u>20,000,000</u>		\$ <u>20,000,000</u>

ATTACHMENTS

Attachment 1 – Revised Six Year Capital Plan

Page 5

Attachment 2 – DPW Project Budget

Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Institutional funds will be used to cover the estimated \$1.55M design costs for the project. The Permanent Building Fund (PBF) appropriation for FY2018 (S1194) stipulates that the PBF monies appropriated for this project can be expended only after the president of LCSC confirms through an attestation letter to the Division of Public Works that the pledged matching funds for the appropriated \$10M have been confirmed.

Upon successful completion of the planning and design phase, LCSC will be required to return to the Board for approval of the financial plan for the project and for approval to proceed with construction.

Staff recommends approval.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 15, 2017

BOARD ACTION

I move to approve the request by Lewis-Clark State College to proceed with planning and design for the proposed Career Technical Education Center project at a cost not to exceed \$1,550,000.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

THIS PAGE INTENTIONALLY LEFT BLANK