BUSINESS AFFAIRS AND HUMAN RESOURCES
JUNE 21, 2012

TAB	DESCRIPTION	ACTION
12	**UNIVERSITY of IDAHO** College Street Property Improvement Project	Motion to approve
13	**UNIVERSITY of IDAHO** Dependent Tuition/Fee Reduction	Motion to approve

AGENCIES AND INSTITUTIONS OF THE STATE BOARD

SUBJECT

FY 2014 Line Item Budget Requests

REFERENCE

April 2012	Board approved guidance to the college and universities regarding submission of line item budget 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 2012 meeting, the Board will accept the line item requests and provide guidance at the June 2012 meeting. Subsequently, the Board will approve the final budget request at the August 2012 meeting. Following Board approval in August, the budget requests will be submitted to Legislative Services Office (LSO) and Division of Financial Management (DFM) by September 4, 2012.

The line items represent the unique needs of the institutions and agencies and statewide needs. The line items are prioritized by the Board for the institutions, following review.

The following line item guidelines were provided for the college and universities in no order of priority:

- Complete College Idaho (CCI) initiatives
- Research Initiatives
- Occupancy Costs
- Unfunded EWA

The information included in the final budget request must include supporting documentation sufficient enough to enable the Board, LSO and DFM to make an informed decision.

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 Committee, DFM and the agencies/institutions to prepare line items to be approved at the August meeting.

ATTACHMENTS

STAFF COMMENTS AND RECOMMENDATIONS

The Board's guidance in reviewing and approving the line items will enable the institutions and agencies to prepare their FY 2014 budgets requests with the proper amount of analysis and oversight.

The college and universities have identified their priority order for each of the line item categories as follows:

	Complete College Idaho	Research Initiatives	Occupancy Costs	Unfunded EWA
BSU	1&2	3	4	1&2
ISU	No priority order pending Board guidance			
UI	3		1	2
LCSC	1			2

BOARD ACTION

I move to approve the FY 2014 line items as listed on the Line Items Summary at Tab 1 pages 3-5, and to create a blank for each line item.

Moved by _________ Seconded by _________ Carried Yes _____ No _____

STATE BOARD OF EDUCATION

FY 2014 Line Items - College and Universities

	By Institution/Agency	FY 2013 Appropriation	Page	Priority	Occupancy Costs	Unfunded EWA	Complete College Idaho	Research Initiatives	Total	vs. 2013 Approp	One-Time	Ongoing vs. 2013 Approp
1	System-wide Needs	4,518,100								0.0%		0.0%
	Performance Based Funding	placeholder							0			
2	Boise State University	74,104,600							12,370,800	16.7%	0	16.7%
	Complete College Idaho: Note A		7 & 9	1 & 2		10,311,100			10,311,100			
	VA Biomed Collaboration		13	3				1,197,200	1,197,200			
	Occupancy Costs		6	4	862,500				862,500			
	Funding Equity Initiative	placeholder							0			
3	Idaho State University	61,799,700							7,468,400	12.1%	508,100	11.3%
	Occupancy Costs		6	1	560,000				560,000			
	Unfunded EWA		7	2		4,991,100			4,991,100			
	Bridge Programs		17	3			420,300		420,300		3,000	
	Center for Prof. Development		21	-----			140,000		140,000		4,100	
	Educational/Foundations Outreach		25	No			388,900		388,900		220,000	
	Retention Coaches		29	Priority			125,100		125,100		6,000	
	VA Biomed Collaboration		33	-----				843,000	843,000		275,000	
	Funding Equity Initiative	placeholder							0			
4	University of Idaho	74,736,200							4,950,800	6.6%	0	6.6%
	Occupancy Costs		6	1	735,300				735,300			
	Unfunded EWA		7	2		815,300			815,300			
	College of Law, Boise 2nd yr		37	3			400,000		400,000			
	CEC increase for faculty and staff		41	4			3,000,200		3,000,200			
	Funding Equity Initiative	placeholder							0			
5	Lewis-Clark State College	12,791,900							2,029,700	15.9%	48,000	15.5%
	Complete College Idaho		45	1			1,086,000		1,086,000		48,000	
	Unfunded EWA		7	2		943,700			943,700			
	Funding Equity Initiative	placeholder							0			
6	Total College and Universities	$ 227,950,500			$ 2,157,800	$ 17,061,200	$ 5,560,500	$ 2,040,200	$ 26,819,700	11.8%	$ 1,112,200	11.3%
7	Percentage of FY 2013 Appropriation				0.9%	7.5%	2.4%	0.9%	11.8%			

Note A: BSU using calculated unfunded EWA funding and applying 100% to Complete College Idaho Initiative

STATE BOARD OF EDUCATION

FY 2014 Line Items - Community Colleges and Agencies

Prio	By Institution/Agency	FY 2013 Appropriation	Page	Priority	FY 2014 Request	vs. 2013 Approp	One-Time	Ongoing vs. 2013 Approp	Comments
1	Professional-Technical Education	48,259,600			1,423,000	2.9%	0	2.9%	
	State Leadership & Technical Asst.	1,892,000				0.0%		0.0%	
	General Programs	10,490,200				0.0%		0.0%	
	Post-secondary Programs	34,906,800	51	1	1,423,000	4.1%		4.1%	Initiatives to Support CCI/60% Goal
	Related Services	970,600				0.0%		0.0%	
2	Community Colleges	27,749,900			11,330,700	40.8%	19,900	40.8%	
	College of Southern Idaho	11,544,300			2,125,800	18.4%	0	18.4%	
	Occupancy Costs		6	1	232,800	2.0%		2.0%	
	Unfunded EWA		8	2	1,607,700	13.9%		13.9%	
	CSI STEM Initiative		55	3	178,100	1.5%		1.5%	
	Graduation Rate Improvement		61	4	107,200	0.9%		0.9%	
	North Idaho College	9,677,200			789,300	8.2%	19,900	8.0%	
	Unfunded EWA		8	1	302,300	3.1%		3.1%	
	Dual Credit Partnerships		67	2	352,200	3.6%		3.6%	
	Occupancy Costs		6	3	38,000	0.4%		0.4%	
	Veterans Center		73	4	96,800	1.0%	19,900	0.8%	
	College of Western Idaho	6,528,400			8,415,600	128.9%	0	128.9%	
	Unfunded EWA		8	1	6,961,100	106.6%		106.6%	
	Occupancy Costs		6	2	874,000	13.4%		13.4%	
	Nursing Program		77	3	580,500	8.9%		8.9%	
3	Agricultural Research/Extension	23,604,100			1,625,800	6.9%		6.9%	
	Operating Expenses		81	1	1,000,000	4.2%		4.2%	
	CEC increase for faculty & staff		83	2	572,300	2.4%		2.4%	
	Occupancy Costs		6	3	53,500	0.2%		0.2%	
4	Health Education Programs	10,119,300			535,500	5.3%	0	5.3%	
	WI Veterinary Education	1,782,300	87	1	14,000	0.8%		0.8%	CEC Increase for Faculty and Staff
	WWAMI Medical Education	3,465,200			134,700	3.9%	0	3.9%	
	Trust Program		91	1	112,600	3.2%		3.2%	
	CEC increase for faculty & staff		95	2	22,100	0.6%		0.6%	
	IDEP Dental Education	1,407,600				0.0%		0.0%	
	Univ. of Utah Med. Ed.	1,257,200				0.0%		0.0%	
	Family Medicine Residencies	1,953,900		1	136,800	7.0%		7.0%	Placeholder
	WICHE	141,700				0.0%		0.0%	
	Psychiatry Residency	111,400		1	10,000	9.0%		9.0%	Placeholder
	Internal Medicine Residency	0	99	1	240,000	0.0%		0.0%	

STATE BOARD OF EDUCATION

FY 2014 Line Items - Community Colleges and Agencies

Prio	By Institution/Agency	FY 2013 Appropriation	Page	Priority	FY 2014 Request	vs. 2013 Approp	One-Time	Ongoing vs. 2013 Approp	Comments
5	Special Programs	8,712,500			676,500	7.8%	6,000	7.7%	
	Forest Utilization Research	504,100			208,600	41.4%	3,000	40.8%	
	Rangeland Center		103	1	196,000	38.9%	3,000	38.3%	
	CEC increase for faculty & staff		107	2	12,600	2.5%		2.5%	
	Geological Survey	701,200	109	1	18,600	2.7%		2.7%	CEC Increase for Faculty and Staff
	Scholarships and Grants	6,663,300			449,300	6.7%	0	6.7%	
	Opportunity Scholarships		111	1	449,300	6.7%		6.7%	
	Scholarships Program Manager	Placeholder		2		0.0%		0.0%	
	Museum of Natural History	452,500				0.0%		0.0%	
	Small Bus. Development Centers	247,500				0.0%		0.0%	
	TechHelp	143,900				0.0%		0.0%	
6	State Board of Education	2,160,500				0.0%		0.0%	Placeholder for new FTP
7	Idaho Public Television	1,587,000	113	1	116,500	7.3%	5,700	7.0%	Idaho Legislature Live/Multimedia Personnel
8	Vocational Rehabilitation	7,503,000			0	0.0%		0.0%	
	Renal Disease	422,700				0.0%		0.0%	
	Vocational Rehabilitation	3,200,000				0.0%		0.0%	
	Community Supported Employment	3,705,600				0.0%		0.0%	
	Council for the Deaf/Hard of Hearing	174,700				0.0%		0.0%	
9	Total	$ 129,695,900			$ 15,708,000	12.1%	$ 31,600	12.1%	

STATE BOARD OF EDUCATION

FY 2014 Budget Request

Colleges & Universities

Calculation of Occupancy Costs

Review for Policy Qualification

Institution/Project	Projected Date of Occupancy	% of Use for Non-Aux. Education	Gross Sq Footage	Non-Aux. Sq Footage	(1) FTE	(2) Custodial Costs Sal & Ben	Supplies	Total	(3) Utility Estimate	(4) Maintenance Costs Repl Value	Cost@1.5%	(5) Other	Total Occ Cost	% qtrs used in FY14	Revised FY14
BOISE STATE UNIVERSITY															
Micron Business and Economics Bldg.	July-12	100%	71,324	71,324	2.74	91,100	7,100	98,200	124,800	37,000,000	555,000	84,500	862,500	100%	862,500
* Yanke Center Space utilization is pending.					2.74	91,100	7,100	98,200	124,800		555,000	84,500	862,500		862,500
IDAHO STATE UNIVERSITY															
Meridian Building	July-09	100%	107,378	107,378	4.13	136,600	10,700	147,300	187,200	16,000,000	240,000	95,500	670,000	100%	670,000
Meridian Building - FY 2013 funding						-63,100	-10,700	-73,800	-36,200						(110,000)
					4.13	73,500	0	73,500	151,000		240,000	95,500	670,000		560,000
UNIVERSITY OF IDAHO															
Idaho Water Center*	Phased Aug 04 to Aug 10	32%	225,227	72,500	2.79	92,500	7,300	99,800	126,900	61,333,093	296,100	104,900	627,700	100%	627,700
Idaho Water Center* (PYs Appr.)					-1.76	-58,600	-4,600	-63,200	-80,000		-166,900	(64,900)	-375,000	100%	(375,000)
Collaborative Center for Applied Fish Stuc	September-06	100%	13,493	13,493	0.52	17,200	1,300	18,500	23,600	3,650,021	54,800	13,300	110,200	100%	110,200
Wood Chip Storage Facility	May-09	100%	24,000	24,000	0.92	30,500	2,400	32,900	42,000	5,327,868	79,900	22,700	177,500	100%	177,500
South chiller plant and storage tank	May-10	100%	4,517	4,517	0.17	5,600	500	6,100	7,900	7,158,500	107,400	9,200	130,600	100%	130,600
Janssen Engineering Bldg	March-09	100%	3,079	3,079	0.12	4,000	300	4,300	5,400	2,066,988	31,000	4,000	44,700	100%	44,700
Combustion Research Lab	October-12	100%	864	864	0.03	1,000	100	1,100	1,500	227,000	3,400	800	6,800	100%	6,800
Pitkin Office & Classroom Bldg	October-13	100%	2,150	2,150	0.08	2,700	200	2,900	3,800	548,000	8,200	2,100	17,000	75%	12,800
					2.87	94,900	7,500	102,400	131,100		413,900	92,100	739,500		735,300
UNIVERSITY OF IDAHO															
Agricultural Research & Extension Service															
Caldwell Office/Conference Facility	September-06	100%	3,662	3,662	0.14	4,600	400	5,000	6,400	595,391	8,900	3,300	23,600	100%	23,600
Kimberly Lab/Storage Building	March-13	100%	2,880	2,880	0.11	3,600	300	3,900	5,000	150,000	2,300	2,300	13,500	100%	13,500
Kimberly Lab/Office Building	April-11	100%	3,192	3,192	0.12	4,000	300	4,300	5,600	256,250	3,800	2,700	16,400	100%	16,400
					0.37	12,200	1,000	13,200	17,000	1,001,641	15,000	8,300	53,500		53,500
College of Southern Idaho															
Advanced Technology and Innovation	September-13	100%	41,630	41,630	1.60	51,300	4,200	55,500	72,900	7,524,800	112,900	38,100	279,400	83%	232,800
North Idaho College															
Facilities Shop	December-10	100%	7,590	7,590	0.29	9,300	800	10,100	13,300	550,000	8,300	6,300	38,000	100%	38,000
					0.29	9,300	800	10,100	13,300		8,300	6,300	38,000		38,000
College of Western Idaho															
Micron Center for Prof-Tech Ed. **	August-12	98%	175,000	170,750	6.57	210,500	17,100	227,600	298,800	14,000,000	204,900	142,700	874,000	100%	874,000
					6.57	210,500	17,100	227,600	298,800		204,900	142,700	874,000		874,000

(1) This building was formerly known as the Alumni Residence Center, a name indicating its historical use; it has since been vacated by University Residences and is now maintained as general education space

(2) The Vandal Athletic Center includes a general education classroom and training room, computer labs, and associated support space

(3) The Living Learning Center includes general education classrooms and program space eligible for occupancy costs

(1) FTE for the first 13,000 gross square footage and in 13,000 GSF increments thereafter, .5 Custodial FTE will be provided.

(2) Salary for custodians will be 80% of Policy for pay grade "E" as prepared by the Division of Human Resources.

Benefit rates as stated in the annual Budget Development Manual; workers comp rates reflect institution's rate for custodial category

			BSU	ISU	UI	LCSC	CSI	NIC	CWI
Salary	CU: $19,635.00	CC: $18,700.00							
Benefits									
FICA									
SSDI salary to $92,150	6.2000%	x salary							
SSHI	1.4500%	x salary							
Unemployment Insurance	0.5000%	x salary							
Life Insurance	0.8500%	x salary							
Retirement: PERSI	11.3200%	x salary							
Workmans Comp		x salary	4.50%	3.64%	4.29%	4.51%	4.35%	4.35%	4.35%
Sick Leave	0.6500%	x salary							
Human Resources			0.306%	0.306%		0.560%	0.306%	0.306%	0.306%
	20.9700%	per position	25.7760%	24.9160%	25.2600%	26.0400%	25.6260%	25.6260%	25.6260%
Health Insurance	$8,550.00								
Supplies	0.10								

(3) Annual utility costs will be projected at $1.75 pe 1.75

(4) Building maintenance funds will be based on 1.5% of the construction cost (excluding architectural/engineering fees, site work, movable equipment, etc.) for new buildings or 1.5% of the replacement value for existing buildings.

(5) Other:

IT Maintenance	1.5000	GSF
Security	0.2200	GSF
General Safety	0.0900	GSF
Research & Scientific Safety Costs	0.5000	GSF
Total	2.3100	
Too High - Used 1/3	**0.7700**	**GSF**
Landscape Greenscape	0.0003	CRV
Insurance Costs	0.0005	CRV
Total	**0.00080**	**CRV**

College and Universities
Enrollment Workload Adjustment Funding

Institution	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
BSU	637,301	682,481	714,189	728,951	718,949	534,800	-146,700	1,394,400	2,143,000	3,957,400	4,379,300	3,512,100
ISU	564,518	586,229	596,018	592,328	597,889	76,700	-52,200	0	0	2,270,700	2,543,200	1,924,200
UI	650,404	690,180	704,951	686,593	656,585	-114,100	-1,172,600	-926,500	-1,139,100	-706,300	815,300	870,500
LCSC	89,921	91,308	99,973	105,812	101,903	233,600	-36,700	-80,800	317,100	118,500	728,000	348,400

Year Funding	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
EWA Funding History:												
EWA Request	873,900	909,600	1,364,900	2,679,800	2,745,800	731,000	0	387,100	997,300	5,567,200	8,465,800	6,655,200
EWA Appropriation	873,900		651,900		2,745,800	731,000	0	387,100	0	-706,300	0	6,655,200
EWA Unfunded		909,600	713,000	2,679,800	0	0	-1,408,200	-1,569,600	997,300	6,273,500	8,465,800	0
EWA Unfunded (PY Cumulative)		0	1,622,600	4,302,400	4,302,400	4,302,400	2,894,200	1,324,600	2,321,900	8,595,400	17,061,200	17,061,200

The switch from 33% to 67% starts with the FY 2009 EWA calculation. Institutions with positive EWA will continue at 67%. Institutions with negative EWA will calculate their annual EWA at 33% until their total cumulative unfunded EWA balance as of FY 2009 is zero and will continue at 33% if the institution continues to experience negative EWA. Once the cumulative unfunded EWA balance as of FY 2009 is zero, when an institution experiences positive EWA it will be calculated that year at 67% and will continue at 67% regardless of subsequent years positive or negative EWA.

College of Southern Idaho
EWA History

Fiscal Year Request	Amount Requested	Amount Funded	Amount Unfunded
Fy 1992	85,600	85,600	26,500
Fy 1993	61,750		61,750
Fy 1994	82,500	82,500	-
Fy 1995	105,200	105,200	-
Fy 1996	108,100	108,100	-
Fy 1997	66,000	66,000	-
Fy 1998	114,400	114,400	-
Fy 1999	222,500	222,500	-
Fy 2000	217,800	217,800	-
Fy 2001	346,300	346,300	-
Fy 2002	174,800	-	174,800
Fy 2003	73,900	-	73,900
Fy 2004	197,000	75,000	122,000
Fy 2005	359,300	-	359,300
Fy 2006	525,100	474,600	50,500
Fy 2007	250,400	250,400	-
Fy 2008	1,400	1,400	-
Fy 2009	88,300	88,300	-
Fy 2010	-	-	-
Fy 2011	351,100	667,700	(316,600)
Fy 2012	826,200	-	826,200
Fy 2013	430,100	430,100	-
	4,687,750	2,905,800	1,378,400

North Idaho College
EWA History

Fiscal Year Request	Amount Requested	Amount Funded	Amount Unfunded
Fy 1992			
Fy 1993	$ 61,750		$ 61,750
Fy 1994			$ -
Fy 1995			$ -
Fy 1996			$ -
Fy 1997			$ -
Fy 1998			$ -
Fy 1999			$ -
Fy 2000	$ 217,800	$ 217,800	$ -
Fy 2001	$ 160,200	$ 160,200	$ -
Fy 2002	$ 219,000		$ 219,000
Fy 2003	$ 346,400		$ 346,400
Fy 2004	$ 375,300	$ 75,000	$ 300,300
Fy 2005	$ 79,200		$ 79,200
Fy 2006	$ 128,200	$ 115,300	$ 12,900
Fy 2007	$ 134,200	$ 134,200	$ -
Fy 2008	$ 101,800	$ 101,800	$ -
Fy 2009	$ 190,700	$ 190,700	$ -
Fy 2010	$ 86,800	$ -	$ 86,800
Fy 2011	$ 339,800	$ 1,796,500	$ (1,456,700)
Fy 2012	$ 714,400	$ -	$ 714,400
Fy 2013	$ 706,900	$ 706,900	$ -
	$ 3,582,900	$ 3,280,600	$ 364,100

College of Western Idaho
EWA History

Fiscal Year Request	Amount Requested	Amount Funded	Amount Unfunded
FY 2013	$ 7,521,300	$ 560,200	$ 6,961,100
	$ 7,521,300	$ 560,200	$ 6,961,100

Note: One-time funding in FY 2011 from S1207 (2011) Ed Jobs MOE payment will be removed for FY 2014 budget request.

AGENCY: Boise State University
FUNCTION: Prior Year Unfunded EWA/Complete College Idaho
ACTIVITY:

Agency No.: 512
Function No.: 01
Activity No.:

FY 2014 Request
Page __1_ of __ Pages
Original Submission _X_ or
Revision No. ___

A: Decision Unit No: **12.01 and 12.02** Title: **Prior Year Unfunded EWA/CCI** Priority Ranking 1 & 2 of 4					
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	118				118
PERSONNEL COSTS:					
1. Salaries and benefits	9,688,800				9,688,800
2.					
3.					
TOTAL PERSONNEL COSTS:	9,688,800				9,688,800
OPERATING EXPENDITURES **by summary object:**					
Operating Expenditures	622,300				622,300
TOTAL OPERATING EXPENDITURES:	622,300				622,300
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	10,311,100				10,311,100

How connected to institution/agency and Board strategic plans:
This initiative is entirely connected to the State Board of Education's Complete College Idaho initiative. In addition, it connects with Boise State University's goal of improving retention and graduation rates and will be a key factor in reaching the ambitious goal of 60% of Idahoans ages 25-34 will have a degree or certificate by 2020.

Description:

This request uses the prior year unfunded EWA request of $10.3 million and identifies specific instructional funding needs to enhance the success of the Complete College Idaho initiative. It is the University's priority line item.

A key strategy will be to reduce the ratio of students to *full-time permanent* faculty to a target of 21:1. In order to accomplish this it is estimated an additional 81 faculty will be needed. This target ratio may still be higher than national benchmarks, and research is currently underway to determine the best practices in light of the Complete College Idaho initiative.

This request also includes 30 Teaching Assistantships and 25 professional advisors to promote success and achievement outcomes. A complete draft proposal will be ready by the time the FY 2014 budget request and line items are due in August.

Questions:

What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

$10,311,100 of base funding is being requested to hire permanent faculty and staff. What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

It is anticipated that to reach the target goal that 81 faculty are needed; 30 TAs, 10 Math and English instructors, 2 staff in Service Learning and 25 academic advisors. Specific titles, pay grades etc. are being reviewed and will be provided with the final budget submission.

b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

Resources have recently been allocated and reallocated to improve retention and graduation rates. To continue to make significant improvement, new resources will be needed.

c. List any additional operating funds and capital items needed.

Operating funds (non salary) of $622,264 are requested to support the initiative.

2. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

   It is anticipated that this initiative would be funded from State general funds – not from increases to student tuition.

3. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Idahoans and the economy of Idaho will be impacted by the request. The goal is to have 60% of Idahoans ages 25-34 to have a degree or certificate by 2020. Increased education achievement improves the quality of life for Idahoans and stimulates a vibrant, diverse economy.

   If the request is not funded, it will have a detrimental impact on achieving the goal.

4. If this is a high priority item, list reason non-appropriated Line Items from FY 2013 budget request are not prioritized first.

   Unfunded EWA was the #1 priority in FY 2013. CCI is a new category, identified by the board, for FY 2014.

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AGENCY: Boise State University	Agency No.:	512	FY 2014 Request
FUNCTION: VA Biomolecular Research -- Initiative with VA Medical Center	Function No.:	01	Page ___ of __ Pages
ACTIVITY: Research	Activity No.:		Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.03**	Title: **Biomedical Research**			Priority Ranking 3 of 4	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	9.0				9.0
PERSONNEL COSTS:					
Salaries and Benefits for 3 Faculty,	930,000				930,000
6 Graduate Assistants (no FTE), 3 Post Doc Assistants and 3 Technicians	249,200				249,200
TOTAL PERSONNEL COSTS:	1,179,200				1,179,200
OPERATING EXPENDITURES **by summary object:**					
1. Operating Costs/Equipment	18,000				18,000
TOTAL OPERATING EXPENDITURES:	18,000				18,000
CAPITAL OUTLAY					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,197,200				1,197,200

How connected to institution/agency and Board strategic plans:

Boise State University has been developing the biomolecular sciences as a primary research focus since 2000, with particular emphasis on protein structure and function. This highly interdisciplinary effort directly targets diverse biomedical applications, and is central to the NIH-funded Biomedical Research Infrastructure Network (BRIN) and the IDeA Network for Biomedical Research Excellence (INBRE) collaborations that involve Boise State University, Idaho State University, the University of Idaho, and the Veterans Affairs Medical Center in Boise.

Description:

Biomolecular and biomedical research infrastructure at Boise State University is the result of numerous NSF Major Research Instrumentation grants, funding of the Institute for Musculoskeletal Research by the Idaho Higher Education Research Council in 2007, a $4M NIH grant to construct a vivarium, and the hiring of new faculty members in key areas.

The funds requested in this line item build on these earlier successes and continue the development of a strong collaborative research presence in Boise.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   Funding totaling $1,197,150 is requested to work collaboratively with the Veteran's Affairs Medical Center and other stakeholders to research diverse biomedical applications.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

   3 new high level research faculty, 6 Graduate Assistants, 3 Post Doctoral Assistants and 3 Support Technicians. The specific titles, pay grades etc. will be determined as soon as possible.

   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

   c. List any additional operating funds and capital items needed.

   Operating funds for expendables, staff supplies, and computers of $18,000.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

   This is a request for State general funds.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Research and specifically new developments in biomedical research, can benefit everyone. If the request is not funded, then this research collaboration will not go forward at this time.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2013 budget request are not prioritized first.

   This has been a line item category and prioritized by Boise State for the past several years.

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AGENCY: Idaho State University	Agency No.: 513	FY 2014 Request
FUNCTION: General Education	Function No.: 1000	Page ___ of __ Pages
ACTIVITY: Complete College Idaho	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.03**	Title: **Bridge Programs**			Priority Ranking 3 of 7	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	4.0				4.0
PERSONNEL COSTS:					
1. Salaries	165,000				165,000
2. Benefits	81,600				81,600
3. Group Position Funding (adjunct faculty)	150,500				150,500
TOTAL PERSONNEL COSTS:	397,100				397,100
OPERATING EXPENDITURES **by summary object:**					
1. Travel	3,000				3,000
2. Materials/Supplies	17,200				17,200
TOTAL OPERATING EXPENDITURES:	20,200				20,200
CAPITAL OUTLAY **by summary object:**					
1. PC and workstation	3,000				3,000
TOTAL CAPITAL OUTLAY:	3,000				3,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	420,300				420,300

Supports institution/agency and Board strategic plans:

The proposed bridge programs support key strategies identified in the State Board of Education and Idaho State University strategic plans. In particular the bridge programs will significantly advance those strategies associated with Complete College Idaho and the Board's 60% goal by increasing enrollment, retention, timely degree completion, and service to underserved populations.

ISU Goal 2: ACCESS AND OPPORTUNITY – provides opportunities for students with a broad range of educational preparation and backgrounds to enter the university and climb the curricular ladder so that they may reach their intellectual potential and achieve their goals and objectives.

SBOE Goal 1: Set policy and advocate for increasing access for individuals of all ages, abilities, and economic means to Idaho's P-20 education system.

SBOE Goal 2: Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

SBOE Goal 4: Improve the ability of the educational system to meet the educational needs and allow students to efficiently and effectively transition into the workplace.

Complete College Idaho:

- Transform remediation by developing strategies and goals to improve remediation.

Performance Measure:

Increase bridge program participation by 5%; increase bridge program courses by 3%.

Description:

Each year Idaho State University enrolls approximately 360 first-time full-time freshmen who are underprepared or in need of remediation. These students are often first-generation college students and underrepresented minorities. A summer bridge program will provide these at-risk students a jumpstart on the academic year by allowing them to complete key courses while learning more about the university. The ultimate goal is to increase retention through better preparation.

The University is currently piloting a summer bridge program that involves a cohort of 25 students completing three academic courses: a remedial course (e.g. basic writing or basic math); a general education course (e.g. Political Science, Psychology, History, or Geology); and a university orientation course (providing resource information in areas like financial aid, advising, and college learning strategies).

This same general format would be used for an expanded summer bridge program accommodating approximately 200 students. Students would be grouped in common interest cohorts of 25 with each cohort taking three academic courses during summer term. Students would choose from a variety of general education courses thereby having the opportunity to explore an area of study that might interest and engage them. The university orientation course provides critical support for students by offering college learning strategies and other key tools that can be applied concurrently to their general education course. The remaining, remedial course would prepare these students for greater success in future courses in their academic careers.

The expanded summer bridge program would require a coordinator to manage the operation of the program, including recruitment, advising, data collection and analysis.

Additional targeted bridge programs will be implemented for students in STEM disciplines and underserved and at-risk populations. The College of Science and Engineering will implement its cohort program for pre-med and engineering students.

The College of Technology is currently offering the START (Successful Transitions and Retention Track) bridge program to recruit, prepare, and retain GED graduates in postsecondary education. This program has been funded through a pilot grant from the Albertsons Foundation Continuous Enrollment initiative. The START bridge program has been notably successful in retaining this important target population, with a 67.4% overall persistence rate for adult learners transitioning into post-secondary education. The semester to semester persistence rate of the START bridge program is 83.1% from 1st to 2nd semester, 86.7% from 2nd to 3rd semester, and 62% from 3rd to 4th semester. The national rate for GED persistence in post-secondary education is between 13% to 19%.

To continue funding the START bridge program would require hiring a program coordinator and two instructor positions.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   As set forth above, funding for 4 FTE and adjunct faculty, as well as supporting operational costs is being requested. Please see narrative above for additional information.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

      Please see information set forth above.

   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

      None.

   c. List any additional operating funds and capital items needed.

      None, other than that requested above.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   This request is for ongoing funding of the personnel and operating costs, but not the capital outlay.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Please see narrative above.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   This is a new request for ongoing and one-time appropriated funding.

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AGENCY: Idaho State University	Agency No.:	513	FY 2014 Request
FUNCTION: General Education	Function No.:	1000	Page ___ of __ Pages
ACTIVITY: Complete College Idaho	Activity No.:		Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.**	Title: **Center for Professional Development**			Priority Ranking: no rank	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	2.0				2.0
PERSONNEL COSTS:					
1. Salaries	90,000				90,000
2. Benefits	35,900				35,900
TOTAL PERSONNEL COSTS:	125,900				125,900
OPERATING EXPENDITURES **by summary object:**					
1. Operating/Travel	10,000				10,000
TOTAL OPERATING EXPENDITURES:	10,000				10,000
CAPITAL OUTLAY **by summary object:**					
1. Computers (2)	4,100				4,100
TOTAL CAPITAL OUTLAY:	4,100				4,100
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	140,000				140,000

Supports institution/agency and Board strategic plans:

The proposed Center for Professional Development supports key strategies identified in the State Board of Education and Idaho State University strategic plans. In particular it will significantly advance those strategies associated with Complete College Idaho and the Board's 60% goal by increasing enrollment, retention, timely degree completion, and service to underserved populations.

ISU Goal 2: ACCESS AND OPPORTUNITY – Idaho State University provides opportunities for students with a broad range of educational preparation and backgrounds to enter the university and climb the curricular ladder so that they may reach their intellectual potential and achieve their goals and objectives.

ISU Goal 4: COMMUNITY ENGAGEMENT AND IMPACT – Idaho State University, including its outreach campuses and centers, is an integral component of the local communities, the State and the intermountain region. It benefits the economic health, business development, environment, and culture in the communities it serves.

SBOE Goal 2: Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.
SBOE Goal 4: Improve the ability of the educational system to meet educational needs and allow students to efficiently and effectively transition into the workplace.

Performance Measure:

Increase the number of internship opportunities by 5%; increase workforce placement of Business graduates by 3%.

Description:

The Complete College Idaho initiative is intended to better match Idaho residents' abilities to the workforce needs of Idaho employers. To facilitate this, we propose to develop a Center for Professional Development in the College of Business, an initiative to match Business students' professional abilities to the needs of Idaho employers.

Modeled on efforts employed in other states, this Center will do the following:

- Provide students with information on the range of professional opportunities available, along with the specific skills needed to take advantage of those opportunities.
- Ensure students gain the interviewing skills, professional demeanor, and networking skills necessary to successfully compete for professional career opportunities.
- Build relationships between College of Business faculty/staff and potential employers, and increase the number of employers that recruit our students.
- Provide internship opportunities with Idaho firms that result in meaningful work experiences and professional employment opportunities for our students.

All of this will be done through a combination of new resources and cooperation with the existing Career Services Center. Initially, it will serve 900 undergraduate business students annually, and can be expanded to serve students from other colleges in the future. To implement this initiative requires changes to our curriculum (currently underway) and the hiring of a director, a "career coach" that will serve the students, and an administrative assistant.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   As set forth above, funding for 2 FTE, as well as supporting operational costs is being requested. Please see narrative above for additional information.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

      Please see information set forth above.

   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

      None.

   c. List any additional operating funds and capital items needed.

      None, other than that requested above.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   This request is for ongoing funding of the personnel and operating costs, and capital outlay as described above.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Please see narrative above.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   This is a new request for both ongoing appropriated funding.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: Idaho State University	Agency No.:	513	FY 2014 Request
FUNCTION: General Education	Function No.:	1000	Page ___ of __ Pages
ACTIVITY: Educational Foundations/ Outreach	Activity No.:		Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.** Title: **Educational Foundations/ Outreach** Priority Ranking: no rank

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	1.00				1.0
PERSONNEL COSTS:					
1. Salaries	50,000				50,000
2. Benefits	26,200				26,200
3. Group Position Funding (part-time employees)	82,700				82,700
TOTAL PERSONNEL COSTS:	158,900				158,900
OPERATING EXPENDITURES **by summary object:**					
1. Operating/Travel	10,000				10,000
TOTAL OPERATING EXPENDITURES:	10,000				10,000
CAPITAL OUTLAY **by summary object:**					
1. Testing Center (PCs, desks, chairs, network connections, etc.)	220,000				220,000
TOTAL CAPITAL OUTLAY:	220,000				220,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	388,900				388,900

Supports institution/agency and Board strategic plans:

The proposed educational foundations and outreach initiative supports key strategies identified in the State Board of Education and Idaho State University strategic plans. In particular it will significantly advance those strategies associated with Complete College Idaho and the Board's 60% goal by increasing enrollment, retention, timely degree completion, service to underserved populations, and reintegration of adults near completion into postsecondary programs.

ISU Goal 2: ACCESS AND OPPORTUNITY – provides opportunities for students with a broad range of educational preparation and backgrounds to enter the university and climb the curricular ladder so that they may reach their intellectual potential and achieve their goals and objectives.

SBOE Goal 1: Set policy and advocate for increasing access for individuals of all ages, abilities, and economic means to Idaho's P-20 education system.

SBOE Goal 2: Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

SBOE Goal 3: Improve the processes and increase the options for re-integration of adult learners into the education system.

SBOE Goal 4: Improve the ability of the educational system to meet educational needs and allow students to efficiently and effectively transition into the workplace.

Complete College Idaho:

- Transform remediation by developing strategies and goals to improve remediation.
- Structure for success by providing options for adult reintegration into postsecondary programs.

Performance Measure:

Increase the number of general education online courses by 5% per year; establish a campus-wide testing center to support online programming.

Description:

ISU will provide critical support set forth below for foundational coursework (e.g. general education and program prerequisites) and outreach to underserved and target populations, which will help achieve key Board and University goals of adult reintegration into postsecondary programs, increased retention, and timely degree completion.

- Hire an educational foundations and outreach coordinator who will oversee various community college and outreach functions and activities, such as the eISU initiative (online distance learning) and the General Education programming. This individual will be responsible for ensuring that these programs support ISU's recruitment and retention initiatives. These efforts will significantly enhance recruitment, retention, and graduation rates by allowing a systemic approach to key initiatives related to General Education and online/distance learning.

- Fund instructor release time and/or stipends for online course development in key areas of general education and high demand prerequisites.

- Establish a testing center on campus to support online and traditional instruction. This would help address issues of course integrity and academic dishonesty in online offerings and allow testing for face-to-face classes, make-up exams, and similar uses.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   As set forth above, funding for 1 FTE and adjunct faculty, as well as supporting operational costs is being requested. Please see narrative above for additional information.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

      Please see information set forth above.

   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

      None.

   c. List any additional operating funds and capital items needed.

      None, other than that requested above.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   This request is for ongoing funding of the personnel and operating costs, and capital outlay as described above.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Please see narrative above.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   This is a new request for both ongoing and one-time appropriated funding.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: Idaho State University | Agency No.: 513 | FY 2014 Request
FUNCTION: General Education | Function No.: 1000 | Page ___ of __ Pages
Original Submission _X_ or
ACTIVITY: Complete College Idaho | Activity No.: | Revision No. ___

A: Decision Unit No: **12.**	Title: **Retention Coaches**			Priority Ranking: no rank	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	2.0				2.0
PERSONNEL COSTS:					
1. Salaries	72,000				72,000
2. Benefits	32,100				32,100
TOTAL PERSONNEL COSTS:	104,100				104,100
OPERATING EXPENDITURES **by summary object:**					
1. Operating/Travel	15,000				15,000
TOTAL OPERATING EXPENDITURES:	15,000				15,000
CAPITAL OUTLAY **by summary object:**					
1. PCs/workstations	6,000				6,000
TOTAL CAPITAL OUTLAY:	6,000				6,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	125,100				125,100

Supports institution/agency and Board strategic plans:

The proposed hiring of retention coaches supports key strategies identified in the State Board of Education and Idaho State University strategic plans. In particular it will significantly advance those strategies associated with Complete College Idaho and the Board's 60% goal by increasing enrollment, retention, timely degree completion, and service to underserved populations.

ISU Goal 2: ACCESS AND OPPORTUNITY – provides opportunities for students with a broad range of educational preparation and backgrounds to enter the university and climb the curricular ladder so that they may reach their intellectual potential and achieve their goals and objectives.

SBOE Goal 2: Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

Complete College Idaho:

- Transform remediation by developing strategies and goals to improve remediation.

Performance Measure:

Increase the percentage of first-time full-time freshman advancing to second year.

Description:

Approximately 1,000 first-time full-time freshmen enroll at Idaho State University each year, and about 61% of these students enroll again as sophomores. Hiring two Retention Coaches, each to work with half of this cohort, could substantially increase the percentage of freshmen continuing to their second year.

A Retention Coach fosters social and academic connections within the cohort and provides valuable resources to this vulnerable population. Typical activities include creating a cohort Facebook page, sending consistent updates through text messaging, providing helpful success strategies through a twitter feed, making frequent phone contacts, meeting bi-monthly with small partial cohort groups, and gathering monthly as a full cohort for "pep-rally" type celebration events. The Retention Coaches would provide a wide spectrum of critical information and assistance to enable academic success, e.g. Writing Center appointments, Math Center visits, Content Area Tutoring appointments, successful college learning strategies, time management strategies, strategies for communication with faculty, counseling appointments, Disability Services accommodations, and ISU Student Organization information.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   As set forth above, funding for 2 FTE, as well as supporting operational costs is being requested. Please see narrative above for additional information.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

      Please see information set forth above.

   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

      None.

   c. List any additional operating funds and capital items needed.

None, other than that requested above.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   This request is for ongoing funding of the personnel and operating costs, and capital outlay as described above.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Please see narrative above.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   This is a new request for both ongoing and one-time appropriated funding.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: Idaho State University	Agency No.:	513	FY 2014 Request
FUNCTION: General Education	Function No.:	1000	Page 1 of 2 Pages
ACTIVITY: Biomedical Research	Activity No.:		Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.** Title: **Veterans Administration Biomedical Research Collaborative** Priority Ranking: no rank

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	3.5				3.5
PERSONNEL COSTS:					
1. Salaries	300,000				300,000
2. Benefits	120,000				120,000
3. Group Position Funding (GAs)	120,000				120,000
TOTAL PERSONNEL COSTS:	540,000				540,000
OPERATING EXPENDITURES **by summary object:**					
1. Travel	3,000				3,000
2. Materials and Supplies	25,000				25,000
TOTAL OPERATING EXPENDITURES:	28,000				28,000
CAPITAL OUTLAY **by summary object:**					
1. Start-up equipment (one-time)	275,000				275,000
TOTAL CAPITAL OUTLAY:	275,000				275,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	843,000				843,000

How connected to institution/agency and Board strategic plans:

Idaho State University has begun developing the framework for a large scale biomedical research enterprise by exploiting the synergistic interactions among the existing scholarly resources within the ISU campus as well as drawing upon the State's biomedical and biotechnology industry and other segments of interdisciplinary biomedical research within the State of Idaho, most particularly infectious disease research at the Veterans Affairs Medical Center in Boise. Thus, in order to most effectively leverage biomedical expertise at institutions across Idaho, we seek to strengthen ISU's position as the lead institution in Idaho for biomedical research, in collaboration with the VA, the University of Idaho and Boise State University. Research and teaching efforts centered on the VA Biomedical Collaborative further the following strategic goals, as articulated in the current ISU and SBOE strategic plans:

ISU Goal 1 — Achieve academic excellence in undergraduate, graduate, professional and technical education. (SBOE Main Goals: 1, A well Educated Citizenry; 2, Critical Thinking and Innovation)

ISU Goal 2 — Increase the University's research profile to strengthen our institutional curricula and ability to meet societal needs through the creation of new knowledge. (SBOE Main Goals: 1, A well Educated Citizenry; 2, Critical Thinking and Innovation)

ISU Goal 3 — Advance medical and health care education throughout the state and region through increasing the quality of healthcare, the number of practicing health care professionals, and promotion of translational research. (SBOE Main Goals: 1, A well Educated Citizenry; 2, Critical Thinking and Innovation)

ISU Goal 4 — Prepare students to function in a global society. (SBOE Main Goals: 1, A well Educated Citizenry; 2, Critical Thinking and Innovation)

ISU Goal 5 — Focus institutional, instructional, and research expertise on community and societal needs throughout the state, region, nation, and world. (SBOE Main Goals: 1, A well Educated Citizenry; 2, Critical Thinking and Innovation)

ISU Goal 6 — Promote the efficient and effective use of resources. (SBOE Main Goals: 1, A well Educated Citizenry; 3, Effective and Efficient Delivery Systems)

Description:

This line item request will provide financial resources to fund two faculty positions, a post-doctoral fellowship position, and a portion of a grant writer, as well as graduate assistantships, to support the SBOE strategic plan to enhance biomedical research across the State of Idaho. As described in other institutional requests, the goal of this plan is to increase biomedical research and graduate education in biomedical fields in Idaho and to establish a critical mass of innovative, productive biomedical investigators at eh Veterans Affairs Medical Center in Boise. This is a collaborative effort with Veterans Affairs, UI, and BSU.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base? **As noted above, funding for 3.5 fte, as well as funding for graduate assistantships.**
2. What resources are necessary to implement this request?
   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service. **See above.**
   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted. **None.**

c. List any additional operating funds and capital items needed. **NA.**

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc. **This request is for ongoing and one-time appropriated funding, as articulated above.**
4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted? **See above.**
5. If this is a high priority item, list reason non-appropriated Line Items from FY 2011 budget request are not prioritized first. **This is a new request for ongoing and one-time appropriated funding.**

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AGENCY: University of Idaho | Agency No.: 514 | FY 2014 Request
FUNCTION: General Education | Function No.: 01 | Page 1 of 2 Pages
Original Submission _X_ or
ACTIVITY: Complete College Idaho | Activity No.: | Revision No. ___

A: Decision Unit No: **12.03**	Title: **College of Law – Boise 2nd Year Curriculum**			Priority Ranking 3 of 4	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	3.00				3.00
PERSONNEL COSTS:					
1. Salaries	257,600				257,600
2. Benefits	86,400				86,400
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	344,000				344,000
OPERATING EXPENDITURES **by summary object:**					
1. On-Line Services	31,000				31,000
TOTAL OPERATING EXPENDITURES:	31,000				31,000
CAPITAL OUTLAY **by summary object:**					
1. Monographs – ON GOING	25,000				25,000
TOTAL CAPITAL OUTLAY:	25,000				25,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	400,000				400,000

Supports institution and Board strategic plans:

State Goal 1 Objective A:

The State Board's Goal 1 ("A Well Educated Citizenry") will be advanced at Objective A ("Access") through the increased accessibility of a cost-effective public legal education made possible by the second-year program in Boise. One of the performance measures for that objective, achieving diversity in attainment of postsecondary education, also will be advanced by increased accessibility of public legal education in Idaho's largest metropolitan area. Moreover, a "well educated citizenry" will be enhanced through the civic education outreach programs developed by the College of Law at the Idaho Law Learning Center.

State Goal 2 Objectives A and B:

The State Board's Goal 2 ("Critical Thinking and Innovation") will be advanced at Objectives A and B ("Critical Thinking, Innovation and Creativity") through the research, outreach, and service performed by law faculty and upper-division law students, especially in the curricular emphasis area of business law and entrepreneurism. Objective C ("Quality Instruction") will be advanced by the academic rigor of an American Bar Association-approved law school's program, delivered in the state capital.

State Goal 3 Objectives A and C:

The State Board's Goal 3 ("Effective and Efficient Delivery Systems") will be advanced at Objective A ("Cost Effective and Fiscally Prudent [Programs]") and Objective C ("Administrative Efficiencies") by achieving economies of scale and capitalizing upon the comparative advantages of both a land-grant campus location and a metropolitan location, by delivering legal education through complementary programs at Moscow and Boise by a unified, statewide law faculty and administration. These objectives also will be advanced through the cost-effectiveness and synergy of linking the JD degree instruction offered by the University of Idaho with concurrent MBA and Masters of Accountancy degree opportunities at Boise State University.

University Goal 1 Objective A:

The University's Goal 1 ("Teaching and Learning – Enable Student Success in a Rapidly Changing World") will be advanced at Objective A ("Build Adaptable, Integrative Curricula and Pedagogies") through the development and delivery of complementary curricula at Moscow and Boise, with distinctive areas of emphasis that utilize the advantages of the land-grant campus in Moscow and the metropolitan location in Boise.

University Goal 2 Objective A:

The University's Goal 2 ("Scholarly and Creative Activity – Promote Excellence in Scholarship and Creative Activity to Enhance Life Today and Prepare Us for Tomorrow") will be advanced at Objective A ("Strengthen All Scholarly and Creative Activities Consistent with the University's Strategic Missions and Signature Areas") through the research and outreach, particularly in the field of business law and entrepreneurism, of faculty and upper-division students in Boise. Expanding the Boise program from a third-year to a combined second-and-third year program (and ultimately a full three-year branch program) will enable the University carry out more effectively its Board-assigned statewide mission in legal education. In addition, Objective B ("Enable Faculty, Student, and Staff Engagement in Interdisciplinary Scholarship and Creative Activity) will be advanced through interactions between and among the University of Idaho's Boise program, the business-related concurrent degree programs at Boise State University, the business enterprises and nonprofit entities of southern Idaho, and the sources of interdisciplinary expertise residing at federal and state regulatory agencies in and near Boise.

University Goal 3 Objective B:

The University's Goal 3 ("Outreach and Engagement – Meet Society's Critical Needs by Engaging in Mutually Beneficial Partnerships") will be especially advanced at Objective B ("Strengthen and Expand Mutually Beneficial Partnerships with Stakeholders in Idaho and Beyond") through the University's collaboration with the Idaho Supreme Court on the Idaho Law Learning Center, through concurrent degree programs offered with Boise State University, through cooperative projects undertaken with the Idaho's legal and business communities, and through increased interaction with -- and service provided by law faculty and students to -- government agencies in and near Idaho's capital city.

University Goal 4:

The University's Goal 4 ("Community and Culture – Be a Purposeful, Ethical, Vibrant, and Open Community") will be advanced by enhancing enhanced access for, and inclusion of, diverse populations in legal education at a metropolitan location; by strengthening the viability and statewide relevance of the legal education program in Moscow through its connections to a complementary program in Boise; and by the enhancing the statewide visibility of the College of Law, which will benefit students in both Boise and Moscow who are in competition with graduates of other law schools in seeking and finding employment in and near Idaho's major center of population, commerce, and government.

Description:
The University of Idaho is requesting funding for a 2nd year curriculum in Boise. This would deepen the College's regulatory law curriculum, through proximity to the center of state government, to the location of major federal agencies in Idaho, and to the wide variety of local governments and special purpose governmental units in the Treasure Valley and across southern Idaho. Students would benefit from in-person instruction from government professionals as well as from practitioners in nonprofit and public interest entities that abound in metropolitan areas.

Questions:

1. **What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?**

   This request includes two new tenure track faculty positions, one assistant director and irregular help funding for adjunct and other supplemental instruction needs. In addition we are requesting ongoing operating and capital outlay funding to fund on-line services and monographs.

2. What resources are necessary to implement this request?

a. 2 FTE tenure track faculty totaling $272,000 with salary and benefits
   1 FTE assistant director totaling $66,000 with salary and benefits
   0 FTE irregular help totaling $6,000 with wages and benefits
b. 1 to 2 existing Moscow faculty positions transferred to Boise
c. $56,000 in on-going operating and capital outlay funding

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

This request is 100% recurring state general funds (no one-time funding is requested).

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

Students: A second-year program in Boise would enable the College to increase the quality and depth of the existing third-year curriculum. It would enable students to make the transition from their first year of general law study to the increasingly focused preparation for a career in their second and third years at a location where two-year relationships can be built with the faculty and with the surrounding legal community. The second-year program in Boise would also give the participating students (and their spouses or partners) a chance to manage their educational debts by taking advantage of work opportunities in a metropolitan area working their way cost-effectively through two years, rather than one year, of law study if they choose to do so. The College seeks to provide students this opportunity.

Idaho: Affordable public legal education enables students to graduate with manageable debts; this, in turn, enables graduates to take jobs at Idaho entry-levels of compensation. The public receives a return on its investment because affordable legal education keeps legal services and justice within reach for local governments, small businesses, and people of ordinary means.

5. If this is a high priority item, list reason non-appropriated Line Items from the prior year are not prioritized first.

AGENCY: University of Idaho	Agency No.: 514	FY 2014 Request
FUNCTION: General Education	Function No.: 01	Page 1 of 2 Pages
ACTIVITY: Complete College Idaho	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.04**	Title: **CEC increase for faculty and staff**			Priority Ranking 4 of 4	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	2,429,300				2,429,300
2. Benefits	570,900				570,900
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	3,000,200				3,000,200
OPERATING EXPENDITURES **by summary object:**					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	3,000,200				3,000,200

Supports institution and Board strategic plans:

Goal 1 Objective 1: To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty and staff; continue the development of career advancement, professional development; and a compensation system that recognizes and rewards knowledge, skills and productivity.

Description:

The University of Idaho is a major economic engine for the state of Idaho and its faculty and staff generate more than $930 million in annual economic impact statewide, through their activities of research, outreach and instruction. Our ability to generate that

impact is critically dependent on the quality of faculty and staff we are able to recruit and retain.
The 2% CEC for FY13 has started the university down the road to being able to retain and recruit the necessary human resources needed to maintain the economic momentum of our efforts. Enterprising institutions nationwide are seeing the current economic environment as the time to make key investments in hiring the best and the brightest away from other institutions. A continued commitment by the state in the form of a salary raise in FY14 will help forestall those sorts of raids on our best individuals – the very individuals having the most significant impact on the Idaho economy.

The University of Idaho is requesting a CEC increase for FY 2014 in the amount of 3% of the FY 2013 General Education salary budget of $80,975,127. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institution.

Questions:

1. **What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?**

   A base salary increase of 3% - in order to maintain the high quality faculty and staff currently in place at the University and to provide evidence of a fiscally viable environment as we try to recruit the best and brightest to join us here at the University of Idaho

2. **What resources are necessary to implement this request?**

   Permanent state general funds from the state appropriation to cover the full 3% increase (no additional positions, redirection of existing human resources or operating/capital funds).

3. **Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).**

   This request is 100% state general funds (no one-time funds).

4. **Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?**

   This request impacts all employees at the University of Idaho. Despite the 2% CEC in FY13 the University continues to fall further and further behind peer institutions in the salary of its faculty and staff and it is becoming increasingly difficult to attract outstanding candidates to fill available positions. If the request is not funded, our retention and recruitment efforts will become more difficult and our ability to fulfill our role in energizing the Idaho economy will be reduced.

5. **If this is a high priority item, list reason non-appropriated Line Items from the prior year are not prioritized first.**

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AGENCY: Lewis-Clark State College	Agency No.: 511	FY 2014 Request
FUNCTION: General Education	Function No.:	Page 1 of 4 Pages
ACTIVITY: Complete College Idaho	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.03**	Title: **Complete College Idaho**			Priority Ranking 1 of 2	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	16.00				16.00
PERSONNEL COSTS:					
1. Salaries	692,000				692,000
2. Benefits	283,500				283,500
3. Group Position Funding	0				0
TOTAL PERSONNEL COSTS:	975,500				975,500
OPERATING EXPENDITURES **by summary object:**					
1. Supplies	20,500				20,500
2. Instructional Materials	32,000				32,000
3. Program Expenses	10,000				10,000
TOTAL OPERATING EXPENDITURES:	62,500				62,500
CAPITAL OUTLAY **by summary object:**					
1. Computers/office setup	48,000				48,000
TOTAL CAPITAL OUTLAY:	48,000				48,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,086,000				1,086,000

Supports institution/agency and Board strategic plans:

Goal 1: A WELL EDUCATED CITIZENRY The educational system will provide opportunities for individual achievement.

Objective B: Higher Level of Educational Attainment – Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

Objective C: Adult Learner Re-Integration – Improve the processes and increase the options for re-integration of adult learners into the education system.

Objective D: Transition – Improve the ability of the educational system to meet educational needs and allow students to efficiently and effectively transition into the workforce.

GOAL 2: CRITICAL THINKING AND INNOVATION The educational system will provide an environment for the development of new ideas, and practical and theoretical knowledge to foster the development of individuals who are entrepreneurial, broadminded, think critically, and are creative.

Objective A: Critical Thinking, Innovation and Creativity – Increase research and development of new ideas into solutions that benefit society.

Objective B: Innovation and Creativity – Educate students who will contribute creative and innovative ideas to enhance society.

Objective C: Quality Instruction – Increase student performance through the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty, and staff.

The positions and support funds requested in this line item request directly support the Academic Affairs tasks at Lewis-Clark State College. The mission and goal statement for LCSC calls for the following:

- In accordance with its role and mission statement approved by the State Board of Education, LCSC's primary emphasis areas are business, criminal justice, nursing, social work, teacher preparation, and professional-technical education.
- The State Board directs LCSC to maintain basic strengths in the liberal arts and sciences, which provide the core (general education) portion of the curriculum.
- Other assigned emphasis areas are the provision of select programs offered on and off campus, at non-traditional times, using non-traditional means of delivery, to serve a diverse student body.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   Ten faculty positions are being requested, which would directly impact student learning at LCSC. Six of these positions are in core areas. Those in Natural Sciences (biology and chemistry), Humanities (English and communications), and Social Science would stabilize areas that have been impacted tremendously by growth in student numbers, especially in Nursing. Our recent transition to biannual admissions for this program has been very well received and it has become increasingly difficult to identify appropriately credentialed adjunct instructors to meet this demand. The faculty position in the library would allow us to provide necessary support for increased student enrollment across the board. The four remaining faculty positions directly support our primary emphasis areas – business, justice studies, and teacher education – which are also thriving program areas at LCSC.

Six support positions are also being requested. Increased enrollments have strained our faculty advising model. Program advisors have been successfully used at LCSC to accomplish the schedule building component of advising, while simultaneously freeing the faculty for more in depth conversations with upper classmen on careers. We are requesting funding for two additional program advisors, one in Nursing and the other in support of our PACE program in Coeur d'Alene. As you may recall, the Education Division's Pathways to Alternate Certification and Endorsement (PACE) program provides access to post-secondary programs by allowing individuals that are place-bound in rural and remote areas throughout Idaho to earn teacher certification through distance learning technologies. The two support positions within Community Programs being requested directly impact our efforts in distance learning. The first is for an instructional designer to work directly with faculty on course design following Quality Matters criteria. The second is for a support position working directly with students, answering questions arising from Blackboard implementation in distance learning courses. The final two support positions being requested are in Student Services. The first is a bilingual recruiter, which has been a need at LCSC for many years. This person would certainly help us reach communities that have been traditionally underrepresented in higher education, but for whom benefit would certainly follow. The final requested position is for a Director of Student Engagement. This position would be charged with researching and implementing enhanced retention strategies at LCSC, in keeping with statewide Complete College Idaho goals.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

      Assistant Professors (9): $48,000 to $45,000 + fringe & health insurance; full-time 9 month; anticipated hire August 2014; teach 24 credit hours per year of critical courses, advising, scholarship & service, other duties as assigned by Division Chair.

      Assistant Professor Librarian (1): $38,000 + fringe & health insurance; full-time 12 month; anticipated hire August 2014; critical support of students and faculty with library instruction.

      Program Advisors (2): $36,000 + fringe & health insurance; professional K-grade employees; support students and faculty in an advising capacity.

      Distance Learning (2): $40,000 + fringe & health insurance; support online environment; assist in course design and implementation; provide support for students and faculty.

      Bilingual Recruiter (1): $38,000 + fringe & health insurance benefits; assist the institution in reaching communities that have been traditionally underrepresented in higher education.

      Director of Student Engagement (1) $50,000 + fringe & health insurance; to provide supervision of Student Activities, Outdoor Recreation, Student

Development Curriculum, Student Success Program, and New Student Orientation. These activities are currently being managed by other units. Consolidation into one unit will provide operational efficiency and consistency.

b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

   None

c. List any additional operating funds and capital items needed.

   Operating funds: $62,500 - instructional materials, supplies, direct program expenses

   Capital: $48,000 - computers and office setup; instructional computers

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

   On-going general funds

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   All Academic Affairs units within the college will be served by the addition of these primarily instructional positions. Each of the instructional positions has direct student contact and student support components that will provide for a positive college experience for the students.

   The General Education credit load at LCSC has been assigned to the Natural Sciences, Humanities and Social Sciences Divisions. Collectively this group delivers a significant number of student credit hours, serving all students at the college in some capacity. As enrollment has increased, the need for full time faculty has become critical. The college's ability to find qualified adjuncts is getting less reliable each passing semester, creating the risk of not having critical sections available.

   Included in the requested faculty positions is one Librarian. The recent NWCCU accreditation report and periodic external reviews suggested that LCSC add an additional Librarian to meet minimum institutional standards. If this request is not funded, we will not be able to fully meet student library needs (access to resources and library hours).

   The Director of Student Engagement position will provide supervision of and leadership to Student Activities, Student Development Curriculum, Student Success Program, and New Student Orientation. The primary function would be to coordinate these departments to promote student engagement and to increase retention. If this request is not funded, we will not be able to expand the program which will limit access to student engagement activities.

   The Distance Learning positions within Community Programs support increasingly large numbers of students and faculty. We are committed to delivering quality programs and services, and our growth in this area will be stifled without additional personnel.

5. If this is a high priority item, list reason unapproved Line Items from the prior year budget request are not prioritized first.

   Portions of this request were included in FY2011, FY2012, and FY2013 budget requests. The additional positions are being requested for FY2014 to help address the continuing need for faculty and related positions.

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AGENCY: Division of Professional-Technical Education	Agency No.:	503	FY 2014 Request
FUNCTION: Postsecondary Programs	Function No.:	03	Page ___ of __ Pages
ACTIVITY:	Activity No.:		Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.01** Title: **PTE Initiative to Support Complete College Idaho 60% Goal** Priority Ranking 1 of 1

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	19.0				19.0
PERSONNEL COSTS:					
1. Salaries	774,100				774,100
2. Benefits	333,300				333,300
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	1,107,400				1,107,400
OPERATING EXPENDITURES **by summary object:**					
1. Supplies and services	122,600				122,600
TOTAL OPERATING EXPENDITURES:	122,600				122,600
CAPITAL OUTLAY **by summary object:**					
1. Instructional equipment	193,000				193,000
TOTAL CAPITAL OUTLAY:	193,000				193,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,423,000				1,423,000

Supports institution/agency and Board strategic plans:

Goal 1, Objective B

Higher Level of Educational Attainment – Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

Performance Measure:
Percent of Idahoans (ages 25-34) who have a college degree or certificate.

Benchmark: 60% by 2020

Description:

The postsecondary system of professional-technical education provides avenues to directly support the Idaho State Board of Education goal of achieving a 60% rate of documented work readiness (postsecondary and/or industry credentials) amongst 25-34 year old adults by 2020. These avenues include increased access and system capacity, along with student success initiatives that can contribute to increased retention and completion. This request includes the provision for new PTE programs as identified by the six technical colleges to increase the system capacity, along with various student support and intervention programs designed to increase the percentage of program participants who successfully persist and complete PTE programs. This strategy provides a two-pronged solution to the 60% challenge: information and data provided by the Office of the State Board of Education suggest that a combination of increased capacity and student support is the preferred strategy to increase the work readiness rate. This request will result in seven new or expanded programs in four of the technical colleges, ability to enhance workforce training delivery, along with student support programs at five of the colleges. The request was based on information requested from each school, with each having their own unique needs.

Request summary

institution	program	FTP	salary	benefits	OE	capital outlay	request total	institution total
CSI	Industrial Mechanics/Food Processing	1.0	39,000	18,300	10,000	140,000	207,300	265,100
	College Success Facilitator	1.0	36,100	18,200	3,500	-	57,800	
CWI	Hospitality Management/Software Development	4.0	176,000	80,000	20,000	30,000	306,000	306,000
EITC	ESTEC expansion	1.0	60,000	24,000	25,000	-	109,000	211,200
	Counselor and Tutor Coordinator	2.0	70,000	32,200	-	-	102,200	
ISU	Aircraft Maintenance expansion/Health IT	2.0	86,000	40,100	6,500	3,000	135,600	204,900
	Retention/Completion Specialist	1.0	45,000	17,800	5,000	1,500	69,300	
LCSC	PTEC (Coordination/Counseling/Case Management)	4.0	165,900	71,000	13,500	10,000	260,400	260,400
NIC	Bridge Math and Completion Coach	2.0	65,500	20,800	19,100	8,500	113,900	175,400
	Automotive IBEST	1.0	30,600	10,900	20,000	-	61,500	
	total	19.0	774,100	333,300	122,600	193,000	1,423,000	1,423,000

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   The request includes personnel, operating expenses, and capital outlay to support the proposed instructional and student success programs intended to facilitate support for the State Board Goal 1, Objective B performance measure: 60% of Idahoans (ages 25-34) who have a college degree or certificate.

   Neither staffing nor base funding is anticipated to be available for these activities for FY2014.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

Full time professional-technical program faculty and student services personnel will be hired when institutions are authorized to do so and according to institutional grades, qualifications, benefits availability, and hiring protocols.

b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

   As several of the activities expand current operations, the programs' respective impacts will vary at each institution. In general, existing human resources will not be redirected, but institutional operations will be somewhat affected by increased traffic due to the capacity enhancement nature of the request.

c. List any additional operating funds and capital items needed.

   None

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   See cover sheet

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Those served include the industry who will potentially hire additional trained technicians, the students who enroll in these requested as well as existing programs (consistent with current institutional student demographics), and the citizens of Idaho through advancement towards the 60% goal.

   If this request is not funded, the ability of the system will be relatively hampered in the ability to expand the capacity and support that will be necessary to achieve the 60% goal.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   In the past year, the State Board of Education established the 60% goal as a high priority for the entire educational system in Idaho. Therefore, support for this goal has become a high priority for PTE. The Division of Professional-Technical Education is grateful to the legislature for funding the sole FY2013 line item request for capital outlay instructional equipment.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: College of Southern Idaho	Agency No.:	501	FY 2014 Request
FUNCTION: Education	Function No.:	02	Page ___ of __ Pages
ACTIVITY:	Activity No.:		Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.03** Title: **CSI STEM Initiative** Priority Ranking 3 of 4

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	3.00				3.0
PERSONNEL COSTS: Full-time STEM Coordinator 1. Salaries 2. Benefits	 106,500 52,600				 106,500 52,600
TOTAL PERSONNEL COSTS:	159,100				159,100
OPERATING EXPENDITURES **by summary object:** 1. Travel 2. Office Supplies & Postage 3. Instructional Supplies	 6,000 3,000 10,000				 6,000 3,000 10,000
TOTAL OPERATING EXPENDITURES:	19,000				19,000
CAPITAL OUTLAY **by summary object:** 1. PC and workstation	 0				 0
TOTAL CAPITAL OUTLAY:	0				0
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	178,100				178,100

Supports institution/agency and Board strategic plans:

Supports Idaho State Board of Education 2012-2016 Strategic Plan

Goal 1: A Well Educated Citizenry

Objective B: Higher Educational Attainment **–** Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

Performance Measures:
• High School Graduation rate as defined in the Accountability Workbook.

Benchmark: 90%

Goal 2: Critical Thinking and Innovation

Objective C: Quality Instruction – Increase student performance through the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty, and staff.

Performance Measures:
Percent of student meeting proficient or advance placement on the Idaho Standards Achievement Test.

Benchmark: 100% for both 5th and 10th Grade students in Reading, Mathematics, Language, and Science subject areas.

Narrative Support:

The i-STEM proposal supports Goal 1, Objective B by developing a highly qualified STEM workforce through teacher education preparation and in-service teacher professional development workshops, seminars, summer institutes, and activities. These opportunities strengthen curriculum development, pedagogical knowledge, and instructional delivery.

The i-STEM proposal supports Goal 2, Objective C by addressing the need of the State to develop, recruit, and retain highly qualified teachers in STEM subjects

The i-STEM proposal supports fostering relations between CSI and Region IV and State constituents to develop, promote, and foster STEM education, teacher professional development, and workforce training through collaborative efforts and opportunities

CSI Strategic Plan 2012-2017:

Strategic Initiative 1: Student Learning and Success

Goal 1: Demonstrate a continued commitment to, and shared responsibility for student learning and success

Strategic Initiative 2**:** Responsiveness

Goal 2: Meet the diverse and changing needs and expectations of our students and the community we serve.

Narrative Support:

The i-STEM proposal supports CSI Strategic Initiative 1 Goal 1 and Strategic Initiative 2 Goal 2 by preparing k-14 students and thus developing a highly qualified STEM workforce through teacher education preparation and in-service teacher professional development workshops, seminars, summer institutes, and activities.

CSI Performance Measures*:*

1. Increase the number of students entering in STEM education and utilizing STEM resources:
    a. Develop a dual credit stem academy by 2014
    a. Develop a CSI STEM club by Fall of 2013
    b. Increase the number of CSI pre-service teachers (majors) in STEM fields by 10%
    c. Develop a CSI STEM resource room by Fall of 2013
2. Improve student engagement in STEM subjects:
    a. Offer at least one regional STEM fair, competition, camp, activity, and organization geared towards elementary and dual credit students. Examples include a STEM strand for “I’m Going to College” for 6th graders, “Girls in Technology,” “Science Camp,” and a dual credit STEM fair, a dual credit STEM club.
3. Increase in-service teachers participating in STEM-related activities:
    a. Develop a STEM team in each school district in Region IV (22 districts) that actively participates in a Region IV STEM activity, institute, or program by 2013.
4. Increase the number of highly qualified teachers to meet the demand in STEM subjects:
    a. maintain and increase professional development opportunities in STEM education--ongoing
5. Identify and respond to the specific STEM needs of external constituents:
    a. Develop an advisory committee that includes members from CSI, k-12, university, industry, and employment organizations.

Description:

CSI is dedicated to STEM (Science, Technology, Engineering, Math). By providing a STEM Coordinator, faculty person, administrative support and operating expenditures, CSI can develop, organize, and offer ongoing activities and initiatives that promote STEM education in Idaho. Funding this request will provide CSI with the resources to develop a highly qualified STEM workforce through teacher education which involve in-service teacher development workshops, seminars, summer institutes and other support activities. These opportunities will strengthen curriculum development, pedagogical knowledge and instructional delivery. This program will also assist the State of Idaho in developing, recruiting and retaining highly qualified teachers in STEM subjects.

Although there are various activities and efforts between INEL, public schools, private grants and higher education to concerning getting students to pursue degrees in Science, Technology, Engineering and Math, there is no coordinated effort in Region IV. This decision unit will provide staffing to provide not only coordination but support for teachers in these subjects. The programs have to begin in k-12 and progress through high school and into college.

Our goal is to demonstrate an unwavering commitment to, and shared responsibility for, STEM education by engaging k-14 students in STEM activities, preparing and developing pre- and in-service teachers in STEM education, and addressing the needs of industry in STEM fields. We feel this can only happen by having a coordinated, comprehensive approach that involves administration, instructional support and clerical support.

Through this decision unit, we ensure that our children will gain the knowledge, skills, perspectives, and confidence to be successful in a global society and economy that is becoming increasingly dependent upon STEM fields.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   CSI is requesting a full-time STEM coordinator (1FTE), a faculty person (1FTE) and office support personnel (1FTE) to develop, coordinate, and implement STEM activities and education on the CSI campus and throughout Region IV. This will enhance, develop, and promote excellence in STEM education and thus Idaho's future in STEM related fields.

   CSI has conducted STEM activities on a limited basis with a part time instructor involved in bringing local school children to campus. These activities will continue with additional support from this decision unit. There is not funding in our base for STEM activities.

2. What resources are necessary to implement this request?

a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

   1 FTE STEM Coordinator: $45,000.00 (salary) $19,600 (benefits)

   1 FTE STEM Faculty: $39,500 (salary) $18,500

   1 FTE STEM Office Specialist: $22,000 (salary) $14,500 (benefits)

   Anticipated date of hire: July 1, 2013

b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

   All three positions will be new positions. The STEM Coordinator position will release concerted efforts and time for existing employees, allowing current employees to focus and funnel STEM-related activities and current duties.

c. List any additional operating funds and capital items needed.

   Operating Expenditures:

   - Travel: $6,000 (monies for STEM conferences/workshops, state and regional activities, i-STEM Summer Institute, and school districts and external constituents support.)
   - Office Supplies: $3,000 (monies for printing and duplicating, marketing, and promotion of STEM.)
   - Instructional Supplies: $10,000 (monies for instructional resources related to STEM development, enhancement, and support.)

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   The funding source for this project will be the General Fund. We will utilize these positions to assist in getting more funding into STEM programs through grants, donations and in-kind services

   Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   The primary benefactors of this project will be students. Additionally, K-12 teachers will receive training and support in delivering STEM activities. This requests serves and greatly affects STEM in Region IV and the State, specifically CSI, K-16, SBOE, and industry.

4. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   Occupancy costs were our number one priority in our 2013 request. This request was our number two priority last year and is again our number two priority this year.

Occupancy costs for our new Applied Technology and Innovation Center is our number one priority for 2014.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

AGENCY: College of Southern Idaho	Agency No.:	FY 2014 Request
FUNCTION: Education	Function No.:	Page ___ of __ Pages
ACTIVITY:	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.04**	Title: **Graduation Rate Improvement**			Priority Ranking 4 of 4	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	2.00				2.0
PERSONNEL COSTS:					
1. Salaries	67,000				67,000
2. Benefits	34,200				34,200
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	101,200				101,200
OPERATING EXPENDITURES **by summary object:**					
1.Travel	5,000				5,000
2.Office Supplies & Postage	1,000				1,000
TOTAL OPERATING EXPENDITURES:	6,000				6,000
CAPITAL OUTLAY **by summary object:**					
1. PC and workstation					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	107,200				107,200

Supports Idaho State Board of Education 2012-2016 Strategic plan:

Goal 1: A Well Educated Citizenry
Objective B: Higher Level of Educational Attainment – Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

Goal 3: Effective and Efficient Delivery Systems – Ensure educational resources are used efficiently.
Objective A: Cost Effective and Fiscally Prudent – Increased productivity and cost-effectiveness.

Narrative Support:

The Graduation Rate Improvement proposal supports the SBOE strategic plan Goal 1, Objective B by focusing on systems that will encourage students to work towards a degree or certificate and stay on the proper educational track. The proposal also supports Goal 3 Objective A in that the efficiency of class offerings is increased as students work directly towards graduation.

SBOE Performance Measures:

Percent of Idahoans (ages 25-34) who have a college degree or certificate.
Benchmark: 60% by 2020

Percent of first-year freshmen returning for second year.
Benchmark: 60%

CSI Strategic Plan 2012-2017

Strategic Initiative I: Student Learning and Success

Goal 1: Demonstrate a continued commitment to, and shared responsibility for, student learning and success.

Strategic Initiative 2: Responsiveness

Goal 2: Meet the diverse and changing needs and expectations of our students and the communities we serve.

Narrative Support:

The Graduation Rate Improvement proposal is a critical part in meeting CSI's strategic initiatives as listed above. We can no longer provide just access but must focus on graduation and certification. Students who are not on a well defined path to graduation or certification will not be eligible for financial aid or scholarships. This will prevent many of them from attending college. This proposal will help us develop systems to keep students in college on a graduation track that will result in increased completion rates.

CSI Performance Measures*:*

Retention

- Increase the percentage of first-time full-time students who return to CSI to continue their studies the following fall from 54% to 60% within five years.
- Increase the percentage of first-time part-time students who return to CSI to continue their studies the following fall from 37% to 43% within five years.

Graduation

- Increase the percentage of first-time full-time students who graduate within 150% of "normal time" to completion for their program from 18% to 25% by 2015.

Transfer

- Increase the percentage of first-time full-time students who transfer within 150% of “normal time” to completion for their program from 14% to 20% by 2015.

Description:

The College of Southern Idaho recognizes that focus has been shifting more and more from mere access to higher education to retention and student success: graduating with degrees or certificates that help students secure gainful employment. The U.S. Department of Education, accrediting agencies, the Idaho State Board of Education, state and federal legislators, funding agencies, tax-payers and other constituents are calling for accountability and measurable outcomes. Funding agencies, including private foundations, are also focusing more and more on data and student success.

The Commission on Access, Admissions and Success in Higher Education, formed by the College Board, identified solutions to increase the number of students who graduate from college and are prepared to succeed in the 21st century. The Commission established 10 interdependent recommendations to reach its goal of ensuring that at least 55 percent of Americans hold a postsecondary degree by 2025.

The Commission recommended that the nation increases the number of 24- to 34-year olds who hold an associate degree or higher to 55 percent by the year 2025 in order to make America the leader in educational attainment in the world.

CSI is fully committed to do its part in ensuring the future competitiveness of our students, state, and nation.

The Retention and Graduation Specialist and Student Services Specialist will work collaboratively to develop, implement, document, and provide training on the systems, tools, resources, processes, and procedures designed to assist degree-seeking students in meeting or exceeding Standards of Satisfactory Academic Progress (SAP) and to facilitate retention and timely graduation. The two proposed staff members will work closely with the Advising Center, Financial Aid Office, Admissions and Records Office, faculty advisors, Advising Committee, Institutional Research, Information Technology Services (ITS), Instructional Technology Center (ITC), department chairs, faculty, and other constituents to improve graduation rates at CSI.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   This request is for a full-time Retention and Graduation Specialist and a full time Student Service Specialist to develop systems, analyze data, and work with advisors, faculty, and students to increase retention and degree and certification completion rates. Improving graduation rates is a strategic initiative for both CSI and SBOE. Furthermore, tax payers, legislators, U.S. Department of Education, and funding agencies are all asking for improved students success and higher completion rates. Higher education attainment is critical to the future competitiveness of our students, institution, state, and nation. CSI will be implementing new Satisfactory Academic Progress (SAP) standards and policy. These standards are geared towards helping students focus on retention and graduation.

Currently students are advised by professional advising staff and faculty concerning requirements for degrees/certificates. The current system is geared towards getting students in the right classes for the right majors. Students change majors, take jobs, end up with a number of unnecessary credits or within a few credits of being able to graduate. There is not a single point of contact and students currently do not have adequate support to help them meet or exceed standards of Satisfactory Academic Progress and ensure that they are making progress towards in their programs, and that they graduate in a timely fashion with a certificate or degree.

There is not currently staffing for this particular activity.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service

      1 FTE - Retention & Graduation Specialist - $40,000 salary, Benefits of $18,600, Anticipated Hire Date – July 1, 2013

      1 FTE - Student Service Specialist - $27,000, Benefits of $15,600, Anticipated Hire Date-July 1, 2013

   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

The Retention and Graduation Specialist and Student Services Specialist will work closely with existing staff from the Advising Center, Financial Aid Office, Admissions and Records Office, faculty advisors, Advising Committee, Institutional Research, Information Technology Services (ITS), Instructional Technology Center (ITC), department chairs, faculty, and students.

The addition of staff dedicated specifically to implementing CSI's graduation initiative will help CSI understand and remove barriers to graduation, increase students' understanding of graduation requirements and SAP standards, and will ultimately help student graduate in a timely fashion.

Existing operations will be modified to emphasize completion from the first contact with the prospective student though completion of their educational program.

c. List any additional operating funds and capital items needed.

Operational funding needed is approximately $5,000 for travel and $1,000 for office supplies and postage. These will be ongoing operational expenses.

2. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

   We anticipate the salaries and operational costs to be paid for by our General Fund appropriation.

3. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   This request directly serves students. The emphasis has changed from access to completion. New federal financial aid regulations require student academic progress towards graduation or certification. In order to retain students, help them graduate in a timely fashion, prepare them for gainful employment while meeting the needs of employers, we must to change the way we advise students and create a culture of program completion.

   If this request is not funded, we will continue to try to increase completion rates with existing staff. However, due to increased enrollment over the last few years, we are advising several hundred more students with the same number of advising staff, which does not leave time to carefully analyze data and develop systems, resources, and tools necessary to significantly impact graduation rates. Due to new student academic progress requirements and the sheer number of students advisors and faculty have to see, it will be difficult to make a significant impact without a new position to lead this effort. Students will be impacted as will the institution if completion rates are not improved. Improved graduation rates also benefit our state and nation.

4. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

   This was also our number 3 priority last year behind our number 1 priority Occupancy Costs and our number 2 priority STEM Initiative.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: North Idaho College	Agency No.:	FY 2014 Request
FUNCTION: Education	Function No.: 02	Page 1 of 4 Pages
ACTIVITY: Academic Initiative – Dual Credit – Complete College Idaho	Activity No.:	Original Submission _ _ or Revision No. **Revised from FY13**

A: Decision Unit No: **12.02**	Title: **Dual Credit Partnership with Region One Schools**			Priority Ranking 2 of 4	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	3				3
PERSONNEL COSTS:					
1. Dual Credit Advisor and two Faculty	120,000				120,000
2. Benefits	42,000				42,000
3. 50 Mentors & 50 HS teachers	155,200				155,200
TOTAL PERSONNEL COSTS:	**317,200**				**317,200**
OPERATING EXPENDITURES **by summary object:**					
1. Travel	10,000				10,000
2. HS Faculty Develop/Workshops	20,000				20,000
3. Orientation/advising to DC students	5,000				5,0000
TOTAL OPERATING EXPENDITURES:	**35,000**				**35,000**
CAPITAL OUTLAY **by summary object:**					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	352,200				352,200

Supports institution/agency and Board strategic plans:

1. Supports NIC Strategic Plan Goals to:
   a. Improve and expand educational opportunities, programs, and courses for the student population and community.

   b. Develop and expand opportunities for high school students enrolled through NIC, emphasizing professional technical and dual credit enrollment programs.

2. Supports SBOE Goals to:
   a. Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

b. Complete College Idaho to have 60% of Idahoans age 25 – 34 attain a degree or certificate by 2020.

Performance Measures:

1. Increase the number of dual credit courses *taught by high school teachers* in Region One school districts, in the five northern counties of Idaho, until each high school has a set of core college classes to offer their students, regardless of size of the high school.

2. Increase the number of college credits earned by dual credit high school students with the goal of 12 – 24 credits earned by high school graduation. (1 - 2 college classes per semester during junior and senior years in high school).

Narrative Support:

The Dual Credit program at NIC has been predominantly an on-campus program. This limits access to students who do not have the ability to travel to campus and/or do not have the desire to leave their high school campuses during the school day.

NIC wishes to expand course offerings *in the high schools* so that each high school in the northern counties, regardless of the size of the high school, has the ability to offer a suite of core dual credit courses to eligible students. The emphasis will be on core courses required to attain an AA/AS/AAS degree or attain a minimum of 24 credits in core transfer classes in the areas of English, Communications, Chemistry, Biology, History, Political Science, Psychology, Sociology, Philosophy, Theatre, Art, Foreign Languages, and Physical Education.

Description:

The goals of the program include:

1. *Increase the number of college-level core classes offered in the high schools*.

   Provide a suite of core college courses that can be taught *in the high schools* with 30% of high school students in the northern five counties of Idaho achieving 12 – 24 transferable college credits by high school graduation.

2. *Provide career and course advising to dual credit students.*

   Dual credit students are advised by high school counselors on what college courses count for high school graduation, but they don't have advising on their career and college plans from campus experts. Providing the high school counselors and dual credit students with a campus advising expert on *high school requirements and the college* is needed to enable dual credit students to plan their career and college paths as they increase the number of college credits earned prior to becoming a regular student.

3. *Increase the pool of high school teachers who can be dual credit instructors for NIC.*

   The pool of eligible candidates to teach for NIC is based upon qualification standards. While high school teaching experience is valuable, graduate credits in the discipline are also needed to teach college-level courses. Funds are needed to reimburse graduate tuition for high school teachers in key areas such as English, History and Political Science.

4. *Guarantee college courses taught in the high school are college-level courses.*

   Using standards from the National Association of Concurrent Enrollment (NACEP), mentor all high school teachers who become dual credit instructors, provide professional development opportunities for the instructors, and collect evidence that illustrates college-level rigor to become nationally accredited by NACEP within five years.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   NIC is requesting general funds for:

   a. 100 site visits - Regional travel for faculty mentors to go to high schools to work with dual credit instructors due to geographic diversity of high schools.
   b. 2 classes at UI rates - Tuition reimbursement for five high school teachers to take graduate classes in their disciplines to become eligible to teach college-level classes to grow the pool of instructors.
   c. Dual credit instructor workshops and professional development for dual credit instructors.
   d. Orientation and advising materials for dual credit students.

2. What resources are necessary to implement this request?

   a. List by position

      i. 1 full-time Dual Credit Advising Specialist as lead contact for high school counselors and dual credit students to serve as a dual credit advisor who understands both the high school graduation requirements and college core transfer and/or degree seeking classes to be able to guide dual credit students. (benefit eligible,$40,000 plus 35% benefits)
      ii. 2 faculty positions in disciplines where NIC does not have adequate faculty to supervise dual credit instructors – Communications and

Political Science for example. (benefit eligible, $40,000 each plus 35% benefits)

iii. 50 mentors - Payments to hire part-time faculty to replace full-time faculty in the classroom in order to provide permanent faculty mentors to the dual credit instructors. (50 x 1 credit equivalency payment)

iv. 50 part-time dual credit instructors - Payments to high school teachers/districts for teaching dual credit classes. It is not cost effective to hire a teacher to teach a college course for a few students – funds need to offset the expense for remote schools with few students. (not benefit eligible, 50 x 1 credit equivalency x 3 credits)

b. Current HR resources supporting:

i. 1 FT Dual Credit Coordinator will oversee the DC Advising Specialist with input from NIC's Advising Director

ii. 6 Division chairs oversee the faculty, faculty mentors and DC instructors

c. Operating funds

i. Travel for 50 mentors for HS - $10,000

ii. Staff development – tuition for 5 teachers, 2 classes - $10,020

iii. DC Instructor Workshops for HS teachers - $10,000

iv. Orientation/advising materials for dual credit students - $5,000

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.)

   a. General Funds

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Dual credit students of northern Idaho are being served by this request. It will enable them to develop a college plan by beginning their college classes in the high school prior to high school graduation. In FY11, 227 students were taught in the high schools in northern Idaho, whereas CSI taught 2,071 in the same year. NIC has the potential to increase dual credit students tenfold.

   If this is not funded, the NIC effort to expand its dual credit offerings with teachers in the high schools will be severely limited in providing a core suite of courses. Only those high schools that can provide large numbers of students per class will be able to be served by the dual credit program and only in disciplines where adequate full-tine faculty exist to serve as mentors. This means the program cannot offer a suite of core courses needed at the high school to provide a transferable curriculum.

Rather the courses offered will be based on hiring high school teachers with already adequate qualifications to teach college classes for NIC and where the high school can generate enough students to cover the cost.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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AGENCY: North Idaho College	Agency No.:	FY 2014 Request
FUNCTION: Education	Function No.: 02	Page ___ of __ Pages
ACTIVITY: **Establish a Veteran's Center**	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.04** Title: **Veteran's Center** Priority Ranking 4 of 4

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	44,400				44,400
2. Benefits	15,000				15,000
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	59,400				59,400
OPERATING EXPENDITURES: Establish M & O budget:					
Travel	1,500				44,400
Staff Development	4,000				4,000
Supplies	5,000				5,000
Memberships	1,000				1,000
Subscriptions	1,000				1,000
Misc.	5,000				5,000
TOTAL OPERATING EXPENDITURES:	17,500				17,500
CAPITAL OUTLAY **by summary object:**					
Computers	5,000				5,000
Printer	900				900
Workstation	3,000				3,000
Furnish Center	10,000				10,000
IT infrastructure (drops & phones)	1,000				1,000
TOTAL CAPITAL OUTLAY:	19,900				19,900
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	96,800				96,800

Supports institution/agency and Board strategic plans:
This initiative is supported by both the State Board of Education Strategic Plan and North Idaho College's Strategic Plan:

State Board of Education Strategic Plan:

GOAL 1: A WELL EDUCATED CITIZENRY

The educational system will provide opportunities for individual advancement.

Objective A: Access - Set policy and advocate for increasing access for individuals of all ages, abilities, and economic means to Idaho's P-20 educational system.

Objective B: Higher Level of Educational Attainment – Increase the educational attainment of all Idahoans through participation and retention in Idaho's educational system.

Objective C: Adult learner Re-Integration – Improve the processes and increase the options for re-integration of adult learners into the education system.

North Idaho College Strategic Plan:

THEME II: STUDENT SUPPORT

Goal 1: Improve student access.

Goal 2: Implement initiatives to increase student success

North Idaho College Core Accreditation Themes

The college mission is reflected in its three accreditation core themes:

Student Success: Provide access to an education environment that helps students attain their education goals.

Educational Excellence: Enhance quality educational opportunities that promote student success, teaching excellence, and lifelong learning.

Community Engagement: Enhance the quality of life for our students and communities.

Performance Measures: Performance will be measured by assessing the total number of veterans that attend NIC, the retention and completion of their educational goals and their satisfaction with their experience at NIC.

Narrative Support: The need for support of veterans returning to school is well documented. Many veterans are returning from combat with traumatic brain injuries, PTSD and other physical and emotional insults. They have been in the military system which has a different mindset and way of operating than academia and they need additional support to learn how to adapt to the educational world. The faculty and staff need training on the challenges that are unique to student veterans. The veterans need the opportunity to connect and support each other. They are used to the camaraderie of military life. There is a need for people and a physical location specific to their needs and to help them successfully transition and become more independent for their educational and job success. It is important that they can get accurate information regarding their Veterans' benefits for school and any others that they may be eligible to receive.

Description: The goal is to have a veteran's center that would house the veteran's benefits coordinator, an academic advisor and a center where the veterans can connect and feel safe. In addition to the social aspect, the center would also have computers where they could study and perhaps develop a peer tutoring program. The staff would work together to maintain an environment that is welcoming and supportive of the veterans and understanding of their special needs. They would also assess the veterans needs for any additional services, any pre-college programs to help them improve skills that would add to their academic success (i.e. reading, math, writing).
Additionally, the staff has to be knowledgeable of community and veterans services to support the veterans and refer them as needed.

Questions:

1. **What is being requested and why?** The money requested is to support hiring an advisor and furnishing a physical space. That includes computers for student stations as well as for the staff.
2. **What is the agency staffing level for this activity and how much funding by source is in the base?** We currently have a veteran's benefits coordinator who assists them in completing the necessary paper-work and knows the guidelines for the various choices of GI bills that the student may have as options.
3. **What resources are necessary to implement this request?** Funding is needed to hire an advisor and establish a dedicated area on our campus for Veterans.
4. **Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).**

   One-time funding request is for $19,300 to establish and office and center. Personnel funds of $59,918 are requested to fund a full-time advisor with benefits. On-going M & O funding of $17,500 is requested for supplies, memberships, training, and programming.

   Once the Veteran's center is up and running we will actively seek out grants to support and expand services. We will also advocate for general fund support.
5. **Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?** The veterans who attend North Idaho College are impacted by this request. If this funding is approved, we will have the ability to better serve the veterans who attend NIC as well as provide a welcoming environment to those who would come here but might choose to go someplace else that is more "Vet Friendly." Additionally, the staff and instructors that serve the current vet students will be impacted by not having the appropriate training and support to help them help the students succeed.
6. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

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AGENCY: Community Colleges	Agency No.: 507	FY 2014 Request
FUNCTION: College of Western Idaho	Function No.: 07	Page ___ of __ Pages
ACTIVITY: Nursing Program Funding	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.03** Title: **Nursing Program – Gen Fund Support** Priority Ranking 3 of 3

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	7.0				7.0
PERSONNEL COSTS:					
1. Salaries	366,100				366,100
2. Benefits	132,400				132,400
3. Group Position Funding	50,000				50,000
TOTAL PERSONNEL COSTS:	548,500				548,500
OPERATING EXPENDITURES **by summary object:**	30,000				30,000
TOTAL OPERATING EXPENDITURES:	30,000				30,000
CAPITAL OUTLAY **by summary object:**	2,000				2,000
TOTAL CAPITAL OUTLAY:	2,000				2,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	580,500				580,500

Supports institution/agency and Board strategic plans:

CWI Goal # 2: Develop Systems to Support Faculty and Staff
The College of Western Idaho will prioritize support for faculty and staff as a way to optimize effective practice in pedagogy and service to students which thereby maximizes student success.

Objectives
1. Make excellence in instruction and customer service a college priority through resource allocation, evaluations, and needed support and training.

Performance Measure: All faculty will meet or exceed the CWI hiring standards.

College of Western Idaho Strategic Plan 2013-2017, updated and approved by CWI Trustees February 2012.

ISBofE GOAL 1: A WELL EDUCATED CITIZENRY
Objective D: Transition – Improve the ability of the educational system to meet educational needs and allow students to efficiently and effectively transition into the workforce.

Performance Measures:
Number of degrees conferred in STEM (Nursing and related fields for CWI).

The educational system will provide opportunities for individual advancement.

IDAHO STATE BOARD OF EDUCATION STRATEGIC PLAN 2013-2017
Approved December 9, 2010

Description:

CWI's (and previously at Boise State University/Selland College) has been funded from State Division of Professional Technical Education (SDPTE) state allocated funds. The SDPTE has directed CWI to begin a 3-year transition from PTE allocated funds to CWI general funds. This will require CWI to direct existing resources to the nursing program, taxing an already tight operating budget in light of explosive enrollment overall. The funding transition will be completed at the end of FY 2013.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

CWI requests full funding for the move of our existing PTE nursing program to General Education because of the A.S. requirement for nursing degrees. CWI and our Trustees have put emphasis on health related programs in general and Registered Nursing in particular due to the need in Idaho for health professionals. The shift from PTE to Gen Ed will put a burden CWI's ability to expand into additional AS and AA programs such as agriculture and pharmacy technology. Funding of nursing will permit CWI to expand into other programs that will have equal importance to the region, but are not PTE related programming.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

      Seven positions are involved, all nursing faculty (total salary and benefits $ $98,500. The nursing faculty have 9.5 month appointments. All positions receive benefits. All seven positions are current employees of CWI. Group funds are being requested for Adjunct instructors, which will be used to augment full-time faculty.

   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

      As noted above, all seven positions are currently employed by CWI. Existing operations will continue as planned. If additional state funding was approved, CWI resources would be freed up to assist with accommodating rapid enrollment growth.

   c. List any additional operating funds and capital items needed.

      None will be requested.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

   .All funds requested are State General Funds.

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   Nursing students at CWI will be directly served by these positions; CWI general education students will be indirectly served if State funds are directed to this purpose instead of having CWI operating funds used.

5. If this is a high priority item, list reason non-appropriated Line Items from FY 2013 budget request are not prioritized first.

   CWI requested partial funding for this transition in the FY 2013 budget request, but Occupancy Costs were prioritized higher because the requested amount was greater than the nursing transition and the impact would have better benefitted the entire institution.

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AGENCY: Agricultural Research and Extension Service	Agency No.: 514	FY 2014 Request
FUNCTION: Agricultural Research & Extension	Function No.: 02	Page ___ of __ Pages
ACTIVITY:	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.01** Title: **Operating Expenditures** Priority Ranking 1 of 3

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES **by summary object:**					
1. Operating Expenses	1,000,000				1,000,000
TOTAL OPERATING EXPENDITURES:	1,000,000				1,000,000
CAPITAL OUTLAY **by summary object:**					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	1,000,000				1,000,000

Supports institution/agency and Board strategic plans:
Goal: Goal 3, Objective A

In order to meet society's critical needs in the area of agriculture, we must be able to adequately fund the operations of the ARES so that we can participate in the exchange of knowledge and resources and have a positive impact on Idaho and beyond.

Performance Measure: Align personnel costs with operating costs to achieve a balance that is sustainable.

Because ARES is severely underfunded in operating, we have qualified employees to conduct research and extension activities but lack the funding needed to allow them to succeed in their areas of expertise.

Description:

The College of Agricultural and Life Sciences, its Idaho Agricultural Experiment Station and its Cooperative Extension System face a number of major program challenges in our responsibilities to serve the people of Idaho and meet the essential needs of the State's increasingly important agriculture industry. Among these challenges, several issues loom as extremely critical for Idaho's agriculture and constitute program areas for which we are inadequately invested in scientific and operational resources.

The costs of maintaining current operations increases annually due to inflation. ARES appropriated funding for operating budgets has not kept pace with inflation and in fact has been drastically reduced in recent years due to the poor economy. Because of this reduced funding our ARES base programs have suffered. Significant cost increases in travel, utilities, fuel, animal feed and agrichemicals, laboratory supplies, repair and maintenance of field and specialized laboratory equipment, and other expendable items have eroded our budget, along with the marked budget reductions, and decreased the college's ability to maintain minimally adequate support fund levels for college programs.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

2. What resources are necessary to implement this request?
   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.
   b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.
   c. List any additional operating funds and capital items needed.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

AGENCY: Ag Research and Extension	Agency No.:	504	FY 2014 Request
FUNCTION: Ag Research and Extension	Function No.:	02	Page 1 of 2 Pages
			Original Submission _X_ or
ACTIVITY:	Activity No.:		Revision No. ___

A: Decision Unit No: **12.02**	Title: **CEC increase for faculty and staff**			Priority Ranking 2 of 3	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	463,400				463,400
2. Benefits	108,900				108,900
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	572,300				572,300
OPERATING EXPENDITURES **by summary object:**					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	572,300				572,300

Supports institution and Board strategic plans:

Goal 1 Objective 1: To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty and staff; continue the development of career advancement, professional development; and a compensation system that recognizes and rewards knowledge, skills and productivity.

Description:

The University of Idaho is a major economic engine for the state of Idaho and its faculty and staff generate more than $930 million in annual economic impact statewide, through their activities of research, outreach and instruction. Our ability to generate that

impact is critically dependent on the quality of faculty and staff we are able to recruit and retain.

The 2% CEC for FY13 has started the university down the road to being able to retain and recruit the necessary human resources needed to maintain the economic momentum of our efforts. Enterprising institutions nationwide are seeing the current economic environment as the time to make key investments in hiring the best and the brightest away from other institutions. A continued commitment by the state in the form of a salary raise in FY14 will help forestall those sorts of raids on our best individuals – the very individuals having the most significant impact on the Idaho economy.

The University of Idaho is requesting a CEC increase for FY 2014 in the amount of 3% of the estimated FY 2013 Ag Research and Extension salary budget of $15,446,150. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. **What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?**

   A base salary increase of 3% - in order to maintain the high quality faculty and staff currently in place at the University and to provide evidence of a fiscally viable environment as we try to recruit the best and brightest to join us here at the University of Idaho

2. **What resources are necessary to implement this request?**

   Permanent state general funds from the state appropriation to cover the full 3% increase (no additional positions, redirection of existing human resources or operating/capital funds).

3. **Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).**

   This request is 100% state general funds (no one-time funds).

4. **Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?**

   This request impacts all employees at the University of Idaho. Despite the 2% CEC in FY13 the University continues to fall further and further behind peer institutions in the salary of its faculty and staff and it is becoming increasingly difficult to attract outstanding candidates to fill available positions. If the request is not funded, our

retention and recruitment efforts will become more difficult and our ability to fulfill our role in energizing the Idaho economy will be reduced.

5. **If this is a high priority item, list reason non-appropriated Line Items from the prior year are not prioritized first.**

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AGENCY: Health Education Programs Agency No.: 515 FY 2014 Request
FUNCTION: Wa-Id Veterinary Education Function No.: 01 Page 1 of 2 Pages
Original Submission _X_ or
ACTIVITY: Activity No.: Revision No. ___

A: Decision Unit No: **12.01**	Title: **CEC increase for faculty and staff**			Priority Ranking 1 of 1	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	11,300				11,300
2. Benefits	2,700				2,700
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	14,000				14,000
OPERATING EXPENDITURES **by summary object:**					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	14,000				14,000

Supports institution and Board strategic plans:

Goal 1 Objective 1: To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty and staff; continue the development of career advancement, professional development; and a compensation system that recognizes and rewards knowledge, skills and productivity.

Description:

The University of Idaho is a major economic engine for the state of Idaho and its faculty and staff generate more than $930 million in annual economic impact statewide, through their activities of research, outreach and instruction. Our ability to generate that

impact is critically dependent on the quality of faculty and staff we are able to recruit and retain.

The 2% CEC for FY13 has started the university down the road to being able to retain and recruit the necessary human resources needed to maintain the economic momentum of our efforts. Enterprising institutions nationwide are seeing the current economic environment as the time to make key investments in hiring the best and the brightest away from other institutions. A continued commitment by the state in the form of a salary raise in FY14 will help forestall those sorts of raids on our best individuals – the very individuals having the most significant impact on the Idaho economy.

The University of Idaho is requesting a CEC increase for FY 2014 in the amount of 3% of the estimated FY 2013 WI salary budget of $376,982. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. **What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?**

   A base salary increase of 3% - in order to maintain the high quality faculty and staff currently in place at the University and to provide evidence of a fiscally viable environment as we try to recruit the best and brightest to join us here at the University of Idaho

2. **What resources are necessary to implement this request?**

   Permanent state general funds from the state appropriation to cover the full 3% increase (no additional positions, redirection of existing human resources or operating/capital funds).

3. **Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).**

   This request is 100% recurring state general funds (no one-time funds).

4. **Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?**

   This request impacts all employees at the University of Idaho. Despite the 2% CEC in FY13 the University continues to fall further and further behind peer institutions in the salary of its faculty and staff and it is becoming increasingly difficult to attract outstanding candidates to fill available positions. If the request is not funded, our

retention and recruitment efforts will become more difficult and our ability to fulfill our role in energizing the Idaho economy will be reduced.

5. **If this is a high priority item, list reason non-appropriated Line Items from the prior year are not prioritized first.**

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AGENCY: Health Programs	Agency No.: 515	FY 2014 Request
FUNCTION: WWAMI Medical Education	Function No.: 02	Page 1 of Pages
ACTIVITY: Strategic Initiative	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: 12.01	Title: **TRUST Program**			Priority Ranking 1 of 2	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	.80				.80
PERSONNEL COSTS:					
1. Salaries	70,000	70,000			140,000
2. Benefits	20,700	20,700			41,400
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	90,700	90,700			181,400
OPERATING EXPENDITURES **by summary object:**					
1. Operating Expenses	21,900	21,900			43,800
2. Travel					
3. IT					
TOTAL OPERATING EXPENDITURES:	21,900	21,900			43,800
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	112,600	112,600			225,200

Supports institution/agency and Board strategic plans:

Goal I: A WELL EDUCATED CITIZENRY –Continuously improve access to medical education for individuals of all backgrounds, ages, abilities, and economic means.

Objective A: Access – (SBOE) Set policy and advocate for increasing access; (**WWAMI**) recruit a strong medical student applicant pool for Idaho.

- ***Performance measure***: the number of Idaho WWAMI medical school applicants per year, the number of funded medical student positions per year, and the ratio of Idaho applicants per funded medical student position.

Objective B: Transition to Workforce - Maintain a high rate of return for Idaho WWAMI graduate physicians who choose to practice medicine in Idaho.

- ***Performance measure***: Cumulative Idaho WWAMI return rate for graduates who practice medicine in Idaho.

GOAL 3: Effective and Efficient Delivery Systems – Deliver medical education, training, research, and service in a manner which makes efficient use of resources and contributes to the successful completion of our medical education program goals for Idaho.

Objective A: Increase medical student early interest in rural and primary care practice in Idaho.

- ***Performance measure***: the number of WWAMI rural summer training placements in Idaho each year.

Objective B: Increase medical student participation in Idaho clinical rotations (clerkships) as a part of their medical education.

- ***Performance measure***: the number of WWAMI medical students completing clerkships in Idaho each year.

Objective C: Support and maintain interest in primary care medicine for medical career choice.

- ***Performance measure***: Percent of Idaho WWAMI graduates choosing primary care specialties for residency training each year.

Description:

This new program request is for five (5) additional positions for medical students in the Idaho WWAMI program, beginning in FY 14. More specifically, it is for five positions within a proposed **Targeted Rural and Under-Served Track (TRUST)** program, focused specifically on the physician workforce needs of Idaho's rural and underserved areas. **The goal of the TRUST program** is to provide an ongoing training connection between community workforce needs, medical education, and rural healthcare providers in Idaho. TRUST medical students will be specifically selected for their experiences and backgrounds in rural and underserved Idaho, and their commitment to returning to such communities to work as physicians where they are most needed. With a four-year curriculum that combines traditional medical training with additional classroom and clinical experiences developed around rural and underserved healthcare needs, TRUST students will develop long-term relationships with Idaho's rural communities and physicians. The TRUST program is designed to admit, educate, place, train, and retain local Idaho students as future Idaho physicians.

Specific objectives of the TRUST program include:

- Increasing access to medical school for Idaho residents, by adding 5 new positions to Idaho WWAMI program specifically for TRUST program students
- Targeting admissions for Idaho TRUST students from rural and underserved backgrounds
- Developing scholarships for TRUST students to reduce debt load after medical school
- Targeting training experiences with rural communities in Idaho to develop ongoing relationships over the four years of medical school
- Increasing clinical training in Idaho, with increased exposure to healthcare systems, communities, and workforce needs in Idaho
- Targeting agreements with Idaho & WWAMI residency programs to accept TRUST students for advanced training in their specialty
- Increasing retention of Idaho medical students as physicians, especially in rural and underserved communities in Idaho, where physician workforce needs are greatest.

To accomplish these goals and objectives, the Idaho WWAMI program needs to be authorized and funded to admit five more students (new entering class total of 25 Idaho WWAMI students, Fall 2013), as well as the costs of educating these additional five students during the first year of medical school. This funding would come from a mix of General Fund appropriations and dedicated receipts (medical student tuition & fees). Specifically, new program costs are provided on page 1 of this request and would include:

1. Adding an Associate Director/TRUST Coordinator position (.8 FTE) to be filled by a local physician-educator (salary and benefits)
2. Operating expenses for educating the five additional medical students, including anatomy supplies and equipment, study resources, clinical instruction, and other program costs.

Justification for these costs include the unique, targeted focus of these additional seats, and the need for a dedicated physician faculty/administrator to provide development, coordination, and oversight of this program, its students, and its state-wide relationships with rural communities and physicians throughout Idaho. In addition to personnel requirements, any expansion in medical student enrollment would require a modest increase in operating expenses for teaching these additional students.

This request for increased WWAMI medical student positions, specifically for the TRUST program, would be an ongoing request. It requires a commitment to not only increased funding and medical students in year 1 (FY14), but also ongoing commitments in years 2, 3, and 4 of medical school, with proportional costs in each of those years, as students move successfully through medical school toward graduation. Idaho WWAMI is currently at 20 students per year, or 80 total students in medical school. This request requires the addition of 5 students in the entering classes of FY14, FY15, FY16, and FY17, or 25 students per year, for a total of 100 Idaho WWAMI students enrolled in medical school by FY17 (Fall 2016). This initial request is relatively small. The ongoing commitment to medical education, growing the Idaho WWAMI class from 80 to 100 students, is not a small commitment, but a necessary one for the future of Idaho communities.

This request also supports the recommendations of the State Board of Education's Medical Education Subcommittee from January, 2009; specifically, recommendations #2 (increased WWAMI students), #5 (admissions selection for rural and primary care interests), and #6 (ensuring rural training rotations in Idaho as a part of students' program).

AGENCY: Health Education Programs	Agency No.: 515	FY 2014 Request
FUNCTION: WWAMI Medical Education	Function No.: 02	Page 1 of 2 Pages
ACTIVITY:	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.02** Title: **CEC increase for faculty and staff** Priority Ranking 2 of 2

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	17,900				17,900
2. Benefits	4,200				4,200
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	22,100				22,100
OPERATING EXPENDITURES **by summary object:**					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	22,100				22,100

Supports institution and Board strategic plans:

Goal 1 Objective 1: To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty and staff; continue the development of career advancement, professional development; and a compensation system that recognizes and rewards knowledge, skills and productivity.

Description:

The University of Idaho is a major economic engine for the state of Idaho and its faculty and staff generate more than $930 million in annual economic impact statewide, through their activities of research, outreach and instruction. Our ability to generate that

impact is critically dependent on the quality of faculty and staff we are able to recruit and retain.

The 2% CEC for FY13 has started the university down the road to being able to retain and recruit the necessary human resources needed to maintain the economic momentum of our efforts. Enterprising institutions nationwide are seeing the current economic environment as the time to make key investments in hiring the best and the brightest away from other institutions. A continued commitment by the state in the form of a salary raise in FY14 will help forestall those sorts of raids on our best individuals – the very individuals having the most significant impact on the Idaho economy.

The University of Idaho is requesting a CEC increase for FY 2014 in the amount of 3% of the estimated FY 2013 WWAMI salary budget of $598,264. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. **What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?**

   A base salary increase of 3% - in order to maintain the high quality faculty and staff currently in place at the University and to provide evidence of a fiscally viable environment as we try to recruit the best and brightest to join us here at the University of Idaho

2. **What resources are necessary to implement this request?**

   Permanent state general funds from the state appropriation to cover the full 3% increase (no additional positions, redirection of existing human resources or operating/capital funds).

3. **Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).**

   This request is 100% state general funds (no one-time funds).

4. **Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?**

   This request impacts all employees at the University of Idaho. Despite the 2% CEC in FY13 the University continues to fall further and further behind peer institutions in the salary of its faculty and staff and it is becoming increasingly difficult to attract outstanding candidates to fill available positions. If the request is not funded, our

retention and recruitment efforts will become more difficult and our ability to fulfill our role in energizing the Idaho economy will be reduced.

5. **If this is a high priority item, list reason non-appropriated Line Items from the prior year are not prioritized first.**

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AGENCY: Boise Internal Medicine	Agency No.:	FY 2014 Request
FUNCTION: Curriculum Support	Function No.:	Page 1 of 2 Pages
ACTIVITY:	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.01**	Title: **Boise Internal Medicine**			Priority Ranking 1 of 1	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS: 1. Salaries 2. Benefits 3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES **by summary object:** 1. Curriculum Support	240,000				240,000
TOTAL OPERATING EXPENDITURES:	240,000				240,000
CAPITAL OUTLAY **by summary object:** 1. PC and workstation					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	240,000				240,000

Supports institution/agency and Board strategic plans:

Goal 1, Objective D: *Improve the ability of the educational system to meet educational needs and allow efficient and effective transition into the workforce.*

This is a request for vital curriculum support of the Boise Internal Medicine (BIM) residency program to allow training at rural and underserved sites in Idaho. BIM is a newly expanded three-year internal medicine residency of the University of Washington that is in a critical period of development. The formative years of a new program are crucial in establishing our reputation and focus. In March, we had a very poor intern match for the academic 2012-13 year and eventually filled with good candidates in the 'scramble'. When surveyed, the listed but not matched applicants identified limitations in outside rotations as one of their top three reasons for not coming to our program.

Studies have demonstrated that having community-based rotations during internal medicine residency doubles the likelihood of intent to practice primary care, and significantly increases in-state retention. Our ability to provide these rotations to our first incoming class of interns has been hampered by the lack of state funding during the 2012 fiscal year. Continued lack of support from the state may jeopardize this programs ability to maintain a focus on rural and regional primary care internal medicine.

Performance Measure: *Percent of Boise Internal Medicine residency graduates practicing in Idaho.*

Benchmark: 50 percent

Description:
Expanding graduate medical education (GME or residency) training in Idaho has been identified as an educational and funding priority by the state-funded MGT Medical Education Study (11/1/07), the Idaho Medical Association (8/10/08), the Legislative Medical Education Interim Committee (11/12/08), and the State Board of Education (1/26/09). The State Board of Education rank-ordered ten recommendations towards expansion of medical education (1/26/09). The first of these recommendations was: "Expand the development of graduate medical education (residency programs) opportunities in the State of Idaho focusing on primary care and rural practice. In partnership with Idaho hospitals, the VA, Idaho doctors, private enterprise, and Idaho's colleges and Universities, the State of Idaho should promote and assist the funding of these programs."

Due to severe budgetary shortfalls the State of Idaho was unable to fund our requests the last two years. This resulted in our program having to restrict the very type of rotations (rural and underserved) that are unable to fund themselves but lead to increased interest in primary care practice and retention in Idaho.

The Department of Veterans Affairs is the major funder of the Boise Internal medicine residency. Support agreements have also been established with all other groups participating in the curriculum (Saint Luke's Regional Health Care System, Saint Alphonsus Regional Health Care System, University of Washington Medical Center, and Harborview Medical Center) to subsidize training within their systems. However, a small but critical portion of the curriculum is not funded by these mechanisms. Rotations at small non-affiliated offices such as dermatology, Terry Reilly Health Care System, and other community-based training sites go unfunded. These training experiences are critical to the attractiveness of the program, the completeness of training, and retention of newly trained physicians in the State of Idaho.

Our requested funding is calculated as follows: The best estimated cost of training a VA medicine resident for one year is approximately $ 175,000. State funding for one four-week block of outside training per year (1/13 of the cost) would be $13,500/resident. This request is for $10,000 per resident, which covers salary, malpractice, and benefits during the rotation (we have no other way to cover this) and about half of the overhead required to support the rotation.

The legislature has demonstrated the importance of medical education to the state through their support of WWAMI and family medicine/psychiatry residencies. It is important to note that developing a graduate medical education infrastructure is the key to retaining providers and developing a medical education program.

Fiscal Year	# Residents	Amount/resident	Base	Request
FY2014	8 interns, 8 R2s, 8 R3s	$ 10,000	$ 240,000	$ 240,000

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AGENCY: Special Programs	Agency No.: 516	FY 2014 Request
FUNCTION: ForestUtilization Research	Function No.: 01	Page ___ of __ Pages
ACTIVITY: Strategic Initiatives	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.01** Title: **FUR-Rangeland Center** Priority Ranking 1 of 2

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	1.50				1.50
PERSONNEL COSTS:					
1. Salaries	116,000				116,000
2. Benefits	32,000				32,000
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	148,000				148,000
OPERATING EXPENDITURES **by summary object:**					
1. Travel	25,000				25,000
2. Operating	20,000				20,000
TOTAL OPERATING EXPENDITURES:	45,000				45,000
CAPITAL OUTLAY **by summary object:**					
1. PC and workstation	3,000				3,000
TOTAL CAPITAL OUTLAY:	3,000				3,000
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	196,000				196,000

Supports institution/agency and Board strategic plans:

Goal 1, Objective B. Students will work in collaboration with industry, citizens and stakeholders off-campus on rangeland problems directly relevant to Idaho. The direct metrics of performance will be the number of undergraduate and graduate students in the Rangeland Center that are engaged in off-campus, integrative learning activities each year.

Goal 2, Objectives A & B: The Rangeland Center will take a leadership role in Idaho and address key research priorities that are established by an external board. The Center will leverage FUR support to increase extramural grants from non-state funds and will utilize an interdisciplinary approach to research. The Rangeland Center will span several colleges on campus and by design is an interdisciplinary effort. The direct metrics of performance will be the number of non-state dollars generated by the center and the number of faculty from different colleges that are active in projects sponsored by the Rangeland Center.

Goal 3, Objectives A and B. Rangelands cover half of the State of Idaho and there are many problems that face Idaho rangelands such as wildfire, invasive species, loss of wildlife habitat, energy development and threatened and endangered species. The Rangeland Center will be very active in its outreach and engagement, extending applied research and existing knowledge to managers, ranchers and citizens that use rangelands. The direct metrics of performance will be the number of outreach projects in Idaho as well as results from standard assessment tools used to understand the effectiveness the Center's outreach projects.

Description:

Advancing the Rangeland Center at the University of Idaho by expanding the Idaho Forest Utilization Act.

Rangelands are vast natural landscapes that cover nearly half of Idaho. These grasslands, shrublands, woodlands and deserts produce a wide variety of goods and services including livestock forage, wildlife habitat, water resources, wildland recreation, open space, and ecosystem services such as water purification and carbon sequestration. Our ability to serve current and future generations will be influenced by our understanding of rangelands because these lands are vital to the ecological and economic health of Idaho.

Rangelands influence the lives and livelihoods of nearly all Idahoans because 90% of Idaho citizens live in places that are currently rangeland or cropland that once was rangeland (i.e., Boise, Twin Falls, Idaho Falls, and Pocatello). The economy of Idaho also depends heavily on rangelands as 65% of the total land area of Idaho is grazed by domestic cattle and sheep that support rural communities and agricultural enterprises. Rangelands are vitally important for recreation as landscapes for fishing, hunting, hiking, biking, horseback riding, and off road vehicle use.

Historically, rangelands were valued mostly for ranching, hunting and mining. Today, changes in the way we use rangelands and environmental conditions threaten the strength and integrity of rangelands. These threats take shape as unsustainable grazing practices, damaging fire regimes, infestations of invasive plants, landscapes fragmented by human development and destructive recreational activities. Advancing rangeland science and management in the current context of ecological and societal change will require newly integrative thinking and innovative practices to maintain and restore these lands and the human communities that rely on them.

Questions:

1. What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?

   The University of Idaho has created a Rangeland Center that brings together researchers and extension professionals throughout Idaho to address the modern challenges of rangeland management. The Rangeland Center was recognized this legislative session under the FOREST, WILDLIFE AND RANGE EXPERIMENT STATION Chapter, Chapter 7, Title 38, of the Idaho Code, in a new Section 715. Faculty and staff in the U-Idaho Rangeland Center will partner with ranchers and land managers to conduct applied research and develop outreach that builds rangeland understanding. The College of Natural Resources at the University of Idaho is requesting an increase in budget of $192,960 Forest Utilization Research (FUR) budget to support establishment of the U-Idaho Rangeland Center.

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

We are requesting the following resources:

Partial salary support (1/2 FTE) for the **Director of the Rangeland Center.** This person will be a tenured professor who conducts rangeland research, teaches courses and workshops focused on rangelands, and directs the faculty and staff of the Rangeland Center. The other half of the Center Directors salary will be provided by the College of Natural Resources.

Salary (1 FTE) for an **Outreach Coordinator** who will organize and promote the activities and outputs of the Rangeland Center. The outreach coordinator will assist Center Director and faculty members to develop workshops and symposia, articles for popular media, and extension publications.

Salary for two **graduate students** (20 hours/week) to conduct relevant applied research directed by rangeland center faculty. Research projects will focus on topics that have been identified in the Center's strategic plan with input from a stakeholder advisory committee.

Operating expenses for research including basic field equipment and electronic field tools such as palm top computers, GPS, and digital cameras to support research and monitoring projects. Operating expenses are also requested develop outreach documents, web pages, workshops, symposia and field tours to increase understanding of contemporary issues affecting rangelands.

Travel funds for the Center Director, Outreach Coordinator and Center faculty members to conduct research projects, outreach activities, and attend stakeholder meetings.

Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

b. List any additional operating funds and capital items needed.

Researchers and educators from seven departments, three colleges, and the University of Idaho Extension are coming together to implement an interdisciplinary research, education and outreach program focused on creating science and solutions for rangelands. The U-Idaho Rangeland Center will build on existing partnerships and create opportunities for new collaborations to advance the study and management of rangelands in Idaho and the region.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   The work of the Rangeland Center and the requested resources will directly serve managers and owners of rangeland in Idaho. Research and outreach activities will empower rangeland users and managers with skills and tools to sustain and improve rangeland health and productivity. Ranchers, recreationists, and rural communities in Idaho benefit from productive rangelands that support economic enterprises, vigorous wildlife populations, weed-free landscapes, fertile soils and clean abundant water.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

This request was made last year and remains our highest priority.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

AGENCY: Special Programs	Agency No.: 516	FY 2014 Request
FUNCTION: Forest Utilization Research	Function No.: 01	Page 1 of 2 Pages
ACTIVITY:	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.02** Title: **CEC increase for faculty and staff** Priority Ranking 2 of 2

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	10,200				10,200
2. Benefits	2,400				2,400
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	12,600				12,600
OPERATING EXPENDITURES **by summary object:**					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	12,600				12,600

Supports institution and Board strategic plans:

Goal 1 Objective 1: To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty and staff; continue the development of career advancement, professional development; and a compensation system that recognizes and rewards knowledge, skills and productivity.

Description:

The University of Idaho is a major economic engine for the state of Idaho and its faculty and staff generate more than $930 million in annual economic impact statewide, through their activities of research, outreach and instruction. Our ability to generate that impact is critically dependent on the quality of faculty and staff we are able to recruit and retain.

The 2% CEC for FY13 has started the university down the road to being able to retain and recruit the necessary human resources needed to maintain the economic momentum of our efforts. Enterprising institutions nationwide are seeing the current economic environment as the time to make key investments in hiring the best and the brightest away from other institutions. A continued commitment by the state in the form of a salary raise in FY14 will help forestall those sorts of raids on our best individuals – the very individuals having the most significant impact on the Idaho economy.

The University of Idaho is requesting a CEC increase for FY 2014 in the amount of 3% of the estimated FY 2013 FUR salary budget of $340,285. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. **What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?**

   A base salary increase of 3% - in order to maintain the high quality faculty and staff currently in place at the University and to provide evidence of a fiscally viable environment as we try to recruit the best and brightest to join us here at the University of Idaho

2. **What resources are necessary to implement this request?**

   Permanent state general funds from the state appropriation to cover the full 3% increase (no additional positions, redirection of existing human resources or operating/capital funds).

3. **Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).**

   This request is 100% state general funds (no one-time funds).

4. **Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?**

   This request impacts all employees at the University of Idaho. Despite the 2% CEC in FY13 the University continues to fall further and further behind peer institutions in the salary of its faculty and staff and it is becoming increasingly difficult to attract outstanding candidates to fill available positions. If the request is not funded, our retention and recruitment efforts will become more difficult and our ability to fulfill our role in energizing the Idaho economy will be reduced.

AGENCY: Special Programs	Agency No.: 516	FY 2014 Request
FUNCTION: Idaho Geological Survey	Function No.: 02	Page 1 of 2 Pages
ACTIVITY:	Activity No.:	Original Submission _X_ or Revision No. ___

A: Decision Unit No: **12.01** Title: **CEC increase for faculty and staff** Priority Ranking 1 of 1

DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)					
PERSONNEL COSTS:					
1. Salaries	15,100				15,100
2. Benefits	3,500				3,500
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	18,600				18,600
OPERATING EXPENDITURES **by summary object:**					
1. Uniform					
2. Training Materials					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY **by summary object:**					
1.					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	18,600				18,600

Supports institution and Board strategic plans:

Goal 1 Objective 1: To facilitate the recruitment and retention of a diverse and highly qualified workforce of teachers, faculty and staff; continue the development of career advancement, professional development; and a compensation system that recognizes and rewards knowledge, skills and productivity.

Description:

The University of Idaho is a major economic engine for the state of Idaho and its faculty and staff generate more than $930 million in annual economic impact statewide, through their activities of research, outreach and instruction. Our ability to generate that impact is critically dependent on the quality of faculty and staff we are able to recruit and retain.

The 2% CEC for FY13 has started the university down the road to being able to retain and recruit the necessary human resources needed to maintain the economic momentum of our efforts. Enterprising institutions nationwide are seeing the current economic environment as the time to make key investments in hiring the best and the brightest away from other institutions. A continued commitment by the state in the form of a salary raise in FY14 will help forestall those sorts of raids on our best individuals – the very individuals having the most significant impact on the Idaho economy.

The University of Idaho is requesting a CEC increase for FY 2014 in the amount of 3% of the estimated FY 2013 IGS salary budget of $501,710. Salary enhancements of 3% would enable the University of Idaho to be more competitive when attracting faculty and staff thereby improving the instruction, research, and public service functions of the institutions.

Questions:

1. **What is being requested and why? What is the agency staffing level for this activity and how much funding by source is in the base?**

   A base salary increase of 3% - in order to maintain the high quality faculty and staff currently in place at the University and to provide evidence of a fiscally viable environment as we try to recruit the best and brightest to join us here at the University of Idaho

2. **What resources are necessary to implement this request?**

   Permanent state general funds from the state appropriation to cover the full 3% increase (no additional positions, redirection of existing human resources or operating/capital funds).

3. **Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumption(s) (e.g. anticipated grants, etc.).**

   This request is 100% state general funds (no one-time funds).

4. **Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?**

   This request impacts all employees at the University of Idaho. Despite the 2% CEC in FY13 the University continues to fall further and further behind peer institutions in the salary of its faculty and staff and it is becoming increasingly difficult to attract outstanding candidates to fill available positions. If the request is not funded, our retention and recruitment efforts will become more difficult and our ability to fulfill our role in energizing the Idaho economy will be reduced.

AGENCY: Special Education Programs	Agency No.:	516	FY 2014 Request
FUNCTION: Scholarships and Grants	Function No.:	03	Page ___ of __ Pages
			Original Submission _X_ or
ACTIVITY:	Activity No.:		Revision No. ___

A: Decision Unit No: **12.01**	Title: **Opportunity Scholarship**			Priority Ranking 1 of 2	
DESCRIPTION	**General**	**Dedicated**	**Federal**	**Other**	**Total**
FULL TIME POSITIONS (FTP)	0.00				0.00
PERSONNEL COSTS: 1. Salaries 2. Benefits 3. Group Position Funding					
TOTAL PERSONNEL COSTS:					
OPERATING EXPENDITURES **by summary object:** 1. Travel					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY **by summary object:** 1. PC and workstation					
TOTAL CAPITAL OUTLAY:					
T/B PAYMENTS:	449,300				449,300
LUMP SUM:					
GRAND TOTAL	449,300				449,300

Supports institution/agency and Board strategic plans:

Category: New/Expanded Programs

Title: Opportunity Scholarship Programs

The Opportunity Scholarship is Idaho's primary need-based scholarship. It is designed on a shared responsibility model with state dollars being the "last dollars". This means that a student must apply for federal aid, and have a self or family contribution element before they would be eligible for the Opportunity Scholarship. In FY07 and FY08, the initial years of this program, $10 million dollars was put into an endowment fund and $1.925 million was designated to fund scholarships for the 2007-2008 and 2008-2009 academic years. Approximately 700 students each year have received this renewable scholarship with the majority of students receiving the maximum award of $3,000. Unfortunately, as a result of the financial difficulties during the last few years, funds were not available to fund neither the endowment nor the ongoing scholarships. The Board was permitted to use the earnings from the endowment and $1,000,000 from the corpus for FY10, FY11 and FY12.

For FY13, the federal scholarship programs for Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) were discontinued which also eliminated the state component for those scholarships. The $711,700 of State General Fund appropriation allocated for LEAP and SLEAP was reallocated to the Opportunity Scholarship ($550,700), Grow Your Own ($56,000), and Minority at Risk ($105,000). This request is for $449,300 from the State General Fund to increase total ongoing funding for the Opportunity Scholarship program to $1,000,000 in funding scholarships for fiscal year 2014.

AGENCY: Idaho Public Television	Agency No.:	520	FY 2014 Request
FUNCTION: Idaho Public Television	Function No.:	01	Page 1 of 3
ACTIVITY:	Activity No.:		Original Submission __ or Revision No. ___

A: Decision Unit No: 12.01 Title: **Idaho Legislature Live / Multimedia Personnel** Priority Ranking 1 of 1

DESCRIPTION	General	Dedicated	Federal	Other	Total
FULL TIME POSITIONS (FTP)	2.00				2.00
PERSONNEL COSTS - 4000:					
1. Salaries	75,900				75,900
2. Benefits	34,900				34,900
3. Group Position Funding					
TOTAL PERSONNEL COSTS:	110,800				110,800
OPERATING EXPENDITURES - 5000 by sub object:					
TOTAL OPERATING EXPENDITURES:					
CAPITAL OUTLAY - 6000 by sub object:					
1. 6401 - Computers (2 laptops)	2,200				2,200
2. 6701 - Office equipment	3,500				3,500
TOTAL CAPITAL OUTLAY:	5,700				5,700
T/B PAYMENTS:					
LUMP SUM:					
GRAND TOTAL	116,500				116,500

How connected to institution/agency and Board strategic plans:

Goal 1 SBoE Goal 1 is a well-educated citizenry. IdahoPTV objectives to meet this goal include: 1) provide access to IdahoPTV new media content to citizens anywhere in the state, which support citizen participation and education, 2) contribute to a well-informed citizenry and 3) provide relevant Idaho-specific information.

Description:

As a result of S1491 (2006), IdahoPTV was directed to oversee (in partnership with Legislative Services and the Department of Administration), Idaho Legislature Live coverage on the Web and broadcast.

Idaho Legislature Live currently includes gavel-to-gavel video coverage of the Idaho House, Senate, Joint Finance-Appropriations Committee (JFAC), House/Senate Auditorium, and live audio coverage of legislative committee rooms.

Since its inception, IdahoPTV has entirely self-funded the personnel and operational costs required to provide Idaho Legislature Live coverage.

IdahoPTV requests two positions to assist with this expanded coverage and to be available to enhance our new media activities at times when Idaho Legislature Live is not active. We believe that it is only reasonable that the state assist with a portion of the operational costs for this service that benefits citizens statewide. IdahoPTV will continue to provide additional in-kind personnel and basic operating cost to enable Idaho Legislature Live coverage, including: production management, engineering maintenance, website management and information technology support. We cannot maintain the current level of service indefinitely.

When Idaho Legislature Live functions are not active, the requested positions will work on educational IdahoPTV new media initiatives including content creation and archiving of content.

Questions:

1. What is being requested and why?

   For the first years of coverage, no state funds were made available to cover the personnel costs associated with the Idaho Legislature Live coverage. These activities were funded with non-state resources. We request these funds to ensure sustainability of the expanded Idaho Legislature Live.

   What is the agency staffing level for this activity and how much funding by source is in the base?

   N/A

2. What resources are necessary to implement this request?

   a. List by position: position titles, pay grades, full- or part-time status, benefit eligibility, anticipated dates of hire, and terms of service.

      Web Developer, pay grade L, full-time, classified, anticipated hire date July 1, 2013, salary cost estimated at $46,800; benefited with benefit costs estimated at $19,350, position on-going.

PTV Digital Broadcast Systems Operator, pay grade I, full-time, classified, anticipated hire date July 1, 2013, salary cost estimated at $29,100; benefited with benefit costs estimated at $15,550, position on-going.

b. Note any existing human resources that will be redirected to this new effort and how existing operations will be impacted.

   If funded, IdahoPTV will continue to redirect the efforts of the following personnel to this effort:

-Broadcast System Operator:	To supervise the requested two positions
-IT Systems Supervisor:	To maintain current IT systems
-Broadcast Maint. Engineer:	To maintain current camera systems
-Production Manager:	To supervise the project

c. List any additional operating funds and capital items needed.

   IdahoPTV will need new computers for use by the new positions along with workspace modifications.

3. Please break out fund sources with anticipated expenditures in the financial data matrix. (Please separate one-time vs. ongoing requests.) Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

   General Fund per matrix on page 1.

   Non-General funds should include a description of major revenue assumptions: new customer base, fee structure changes, ongoing anticipated grants, etc.

   N/A

4. Who is being served by this request and what are the expected impacts of the funding requested? If this request is not funded who and what are impacted?

   The entire population of Idaho will benefit. Idaho Legislature Live is available via digital television and the Web.

5. If this is a high priority item, list reason why unapproved Line Items from the prior year budget request are not prioritized first.

Attach supporting documentation sufficient enough to enable the Board, Division of Financial Management, and the Legislative Budget Office to make an informed decision.

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COLLEGE AND UNIVERSITIES OF THE STATE BOARD

SUBJECT

FY 2013 Intercollegiate Athletics Operating Budget Report

REFERENCE

April 2012	Board approved athletics limits for general funds, gender equity funds, and institutional funds

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures Section III.T.4.

BACKGROUND/ DISCUSSION

State Board of Education policy provides "the institutions shall submit an operating budget plan for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office."

A common reporting format has been established for reporting intercollegiate athletic revenues and expenditures. Page 3 displays a four-part pie chart that shows FY13 revenue by fund source by institution. Page 4 (FY13 Board Limits on General and Institutional Funds) separates the state General Fund limit between regular General Funds and gender equity. Note that all four institutions are budgeting General Fund, gender equity, and institutional funds for athletics within their limits. Page 5 displays non-program revenue as a percentage of total athletic revenue and expenditures per varsity participant.

The individual institution reports, starting on Page 7, begin with worksheets for each institution displaying the following data:

- FY11 Actual Expenditures (June 2011) – columns 1 & 2
- Latest FY12 Estimate (May 2012) – columns 3 & 4
- Variance ($ and %) comparing the FY11 Actual with the latest FY12 estimate – columns 5 & 6
- FY13 Operating Budget (June 2012) – columns 7 & 8
- Variance ($ & %) comparing the FY 13 proposed Budget with the FY12 Estimate – columns 9 & 10

For each institution, revenue by source and expenditures by classification is reported, as is revenue and expenditures by general administration and sport.

Board policy establishes limits on the amount of funds the institutions can allocate to athletics from the State General Account and institutional funds**.** At its regular April 2012 meeting the Board voted to set the general funds, including a gender equity component and institutional funds limit for athletics as follows:

	General Fund	Gender Equity	Institutional
BSU	$2,424,400	$1,069,372	$386,100
ISU	$2,424,400	$707,700	$540,400
UI	$2,424,400	$926,660	$772,100
LCSC	$901,300	N/A	$154,300

IMPACT

Provides the Board with a report on the financial status of intercollegiate athletics for the current fiscal year and provides the operating budget for FY 13.

ATTACHMENTS

STAFF COMMENTS AND RECOMMENDATIONS

Idaho State University, University of Idaho and Lewis-Clark State College all show net income and positive fund balances for FY 2013. Boise State University shows a net deficit of $970,151 for its FY13 operating budget, but an ending fund balance of $34,000 in the black.

In reviewing the budget reports, each institution has areas in which the variance from FY13 budget to FY12 estimate is significant. The institutions are prepared to explain their respective reports and variances therein.

BOARD ACTION

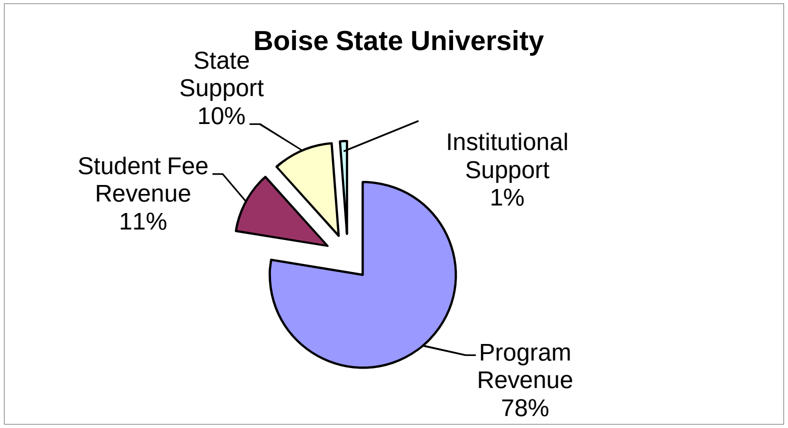
I move to accept the Athletics Operating Budget reports for Boise State University, Idaho State University, University of Idaho and Lewis-Clark State College, as presented.

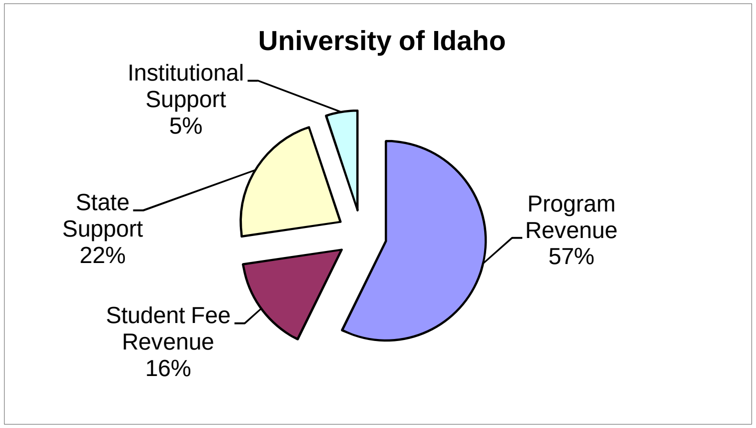
Moved by __________ Seconded by ___________ Carried Yes _____ No _____

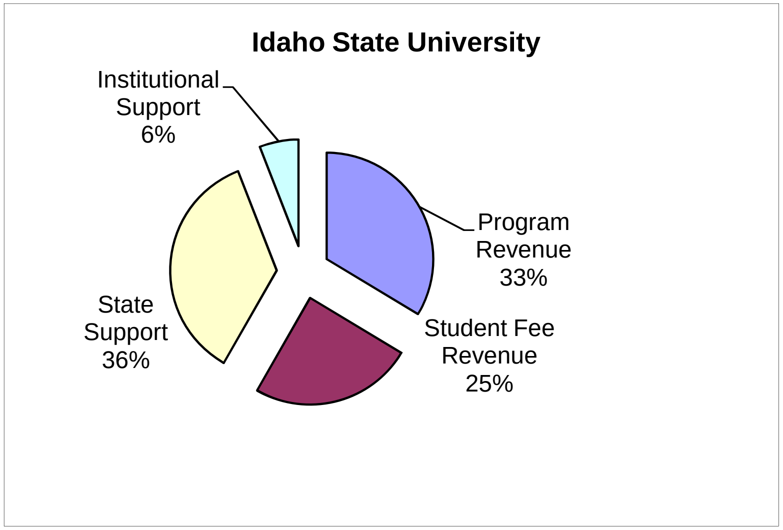
Intercollegiate Athletics

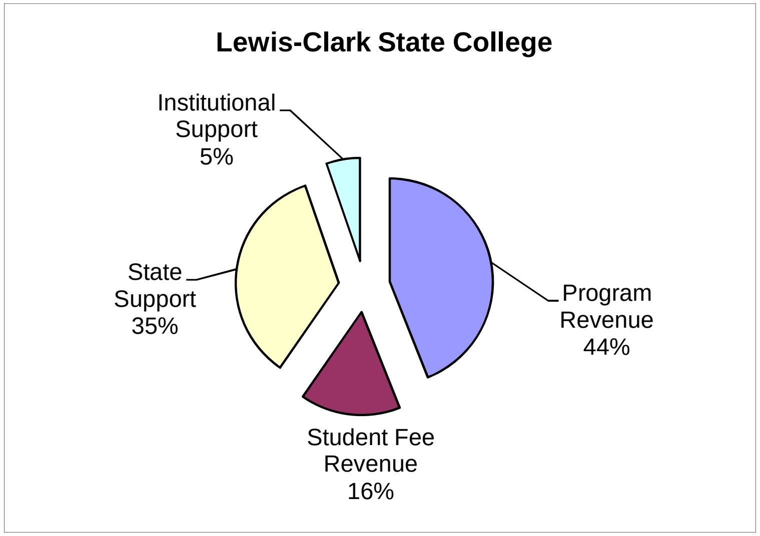
FY13 Revenue by Source by Institution

Attachment 1



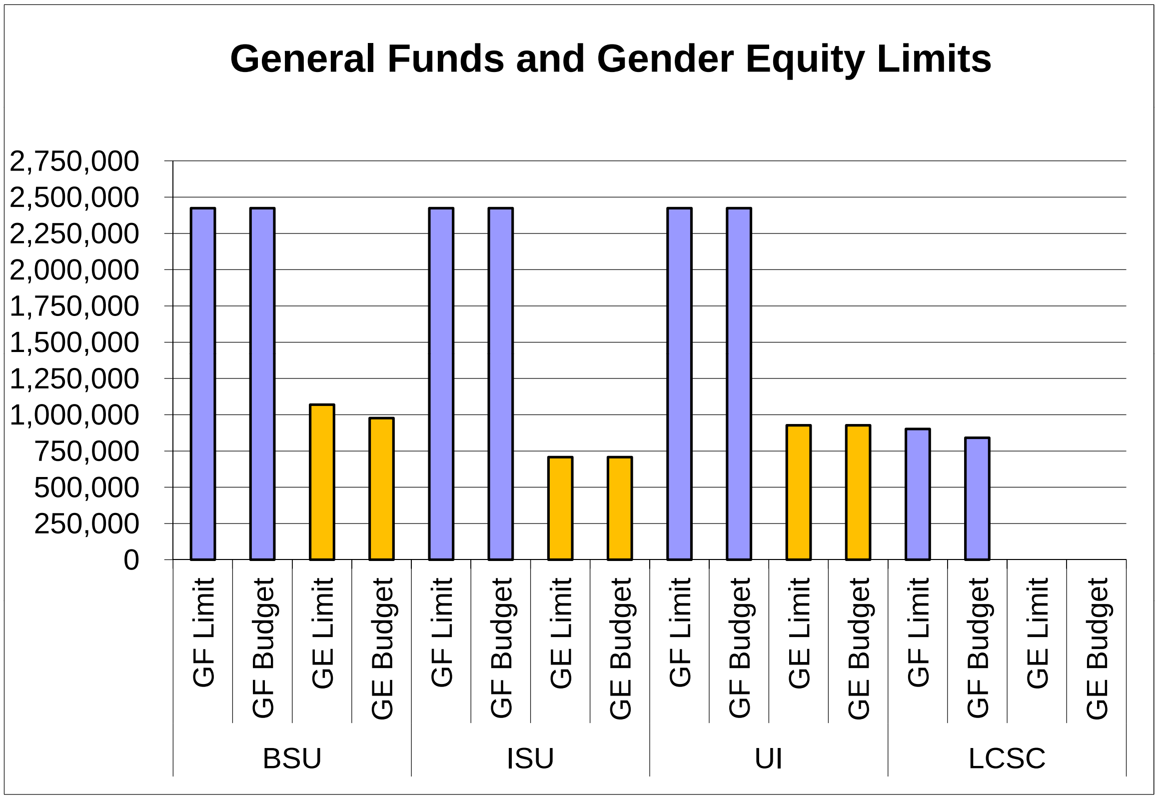


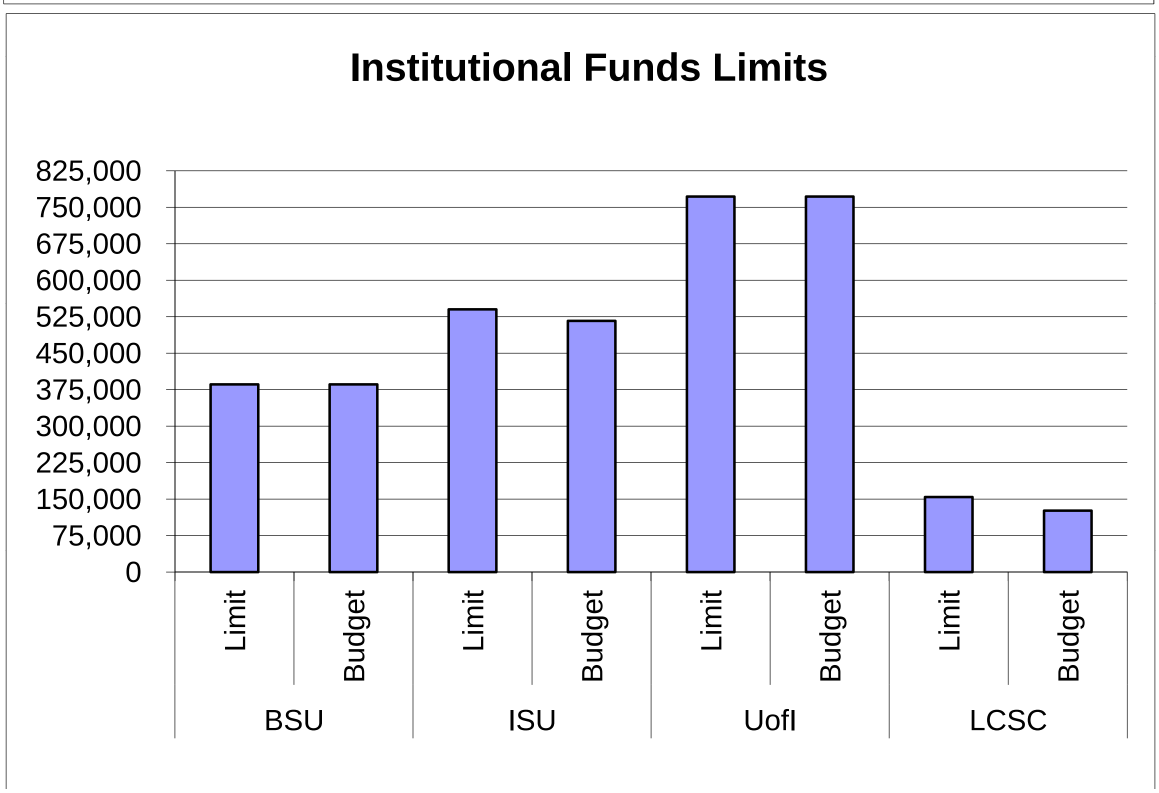




Attachment 2

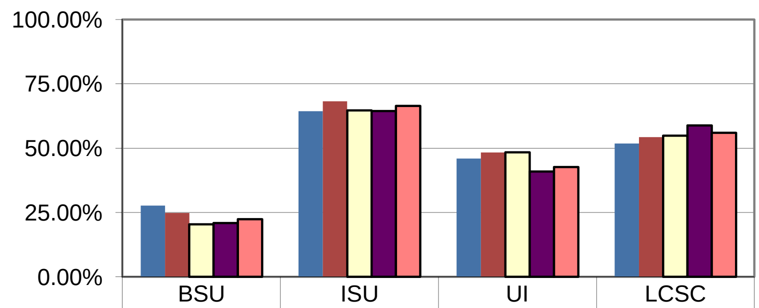
FY13 Board Limits on General and Institutional Funds





Attachment 3

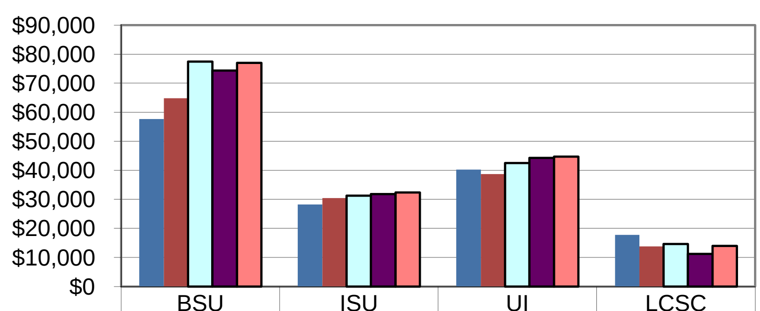
Student Fee/State & Institution Support as a % of Total Athletic Revenue



	BSU	ISU	UI	LCSC
FY08 Act.	27.75%	64.43%	46.04%	51.79%
FY09 Act.	24.82%	68.26%	48.41%	54.34%
FY11 Act.	20.38%	64.70%	48.40%	54.86%
FY12 Est.	20.92%	64.40%	40.92%	58.87%
FY13 Bud	22.43%	66.41%	42.73%	56.02%

Attachment 4

Expenditures per Varsity Participant



	BSU	ISU	UI	LCSC
FY08 Act.	$57,629	$28,232	$40,265	$17,752
FY09 Act.	$64,844	$30,371	$38,715	$13,749
FY11 Act.	$77,476	$31,218	$42,454	$14,631
FY12 Est.	$74,348	$31,820	$44,210	$11,236
FY13 Bud	$77,025	$32,384	$44,729	$14,004

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Boise State University
Intercollegiate Athletics Report
FY11 Actuals, Revised Estimates for FY12, and FY13 Operating Budgets

Attachment 5

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
1	**Revenue:**										
2	**Program Revenue:**										
3	Ticket Sales	7,615,697	20.81%	7,308,542	20.00%	(307,155)	-4.03%	7,708,099	20.93%	399,557	5.47%
4	Guarantees	1,500,000	4.10%	2,200,000	6.02%	700,000	46.67%	1,575,000	4.28%	(625,000)	-28.41%
5	Contributions	9,594,182	26.21%	6,321,983	17.30%	(3,272,199)	-34.11%	9,742,816	26.46%	3,420,833	54.11%
6	NCAA/Conference/Tournaments	1,298,910	3.55%	3,614,637	9.89%	2,315,727	178.28%	1,150,715	3.13%	(2,463,922)	-68.17%
7	TV/Radio/Internet Rights	140,598	0.38%	50,000	0.14%	(90,598)	-64.44%	50,000	0.14%	0	0.00%
8	Program/Novelty Sales, Concessionns, Parking	945,438	2.58%	915,135	2.50%	(30,303)	-3.21%	844,760	2.29%	(70,375)	-7.69%
9	Royalty, Advertisement, Sponsorship	3,612,480	9.87%	3,289,576	9.00%	(322,904)	-8.94%	3,309,107	8.99%	19,531	0.59%
10	Endowment/Investment Income		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
11	Other	880,479	2.41%	1,940,010	5.31%	1,059,531	120.34%	767,424	2.08%	(1,172,586)	-60.44%
12	Total Program Revenue	25,587,784	69.90%	25,639,883	70.16%	52,099	0.20%	25,147,921	68.30%	(491,962)	-1.92%
13	**Non-Program Revenue:**										
14	NCAA/Bowl/World Series	524,641	1.43%	149,500	0.41%	(375,141)	-71.50%	29,750	0.08%	(119,750)	-80.10%
15	Student Fees	3,151,147	8.61%	3,286,096	8.99%	134,949	4.28%	3,493,676	9.49%	207,580	6.32%
16	Direct State General Funds	2,211,077	6.04%	2,214,700	6.06%	3,623	0.16%	2,424,400	6.58%	209,700	9.47%
17	Gender Equity - General Funds	976,872	2.67%	976,872	2.67%	0	0.00%	976,872	2.65%	0	0.00%
18	Direct Institutional Support	346,600	0.95%	346,600	0.95%	0	0.00%	386,100	1.05%	39,500	11.40%
19	Subtotal State/Institutional Support	3,534,549	9.66%	3,538,172	9.68%	3,623	0.10%	3,787,372	10.29%	249,200	7.04%
20	Total Non-Program Revenue	7,210,337	19.70%	6,973,768	19.08%	(236,569)	-3.28%	7,310,798	19.86%	337,030	4.83%
21	Subtotal Operating Revenue	32,798,121	89.60%	32,613,651	89.24%	(184,470)	-0.56%	32,458,719	88.15%	(154,932)	-0.48%
22	**Non-Cash Revenue**										
23	Third Party Support		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
24	Indirect Institutional Support	1,822,713	4.98%	1,836,283	5.02%	13,570	0.74%	2,044,215	5.55%	207,932	11.32%
25	Non-Cash Revenue		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
26	Out-of-State Tuition Revenue	1,983,889	5.42%	2,094,560	5.73%	110,671	5.58%	2,317,482	6.29%	222,922	10.64%
27	Subtotal Non-Cash Revenue	3,806,602	10.40%	3,930,843	10.76%	124,241	3.26%	4,361,697	11.85%	430,854	10.96%
28	**Total Revenue:**	36,604,723	100.00%	36,544,494	100.00%	(60,229)	-0.16%	36,820,416	100.00%	275,922	0.76%
29											
30	**Expenditures**										
31	**Operating Expenditures:**										
32	Athletics Student Aid	3,865,115	10.57%	4,404,877	12.17%	539,762	13.96%	4,644,701	12.29%	239,824	5.44%
33	Guarantees	597,500	1.63%	547,500	1.51%	(50,000)	-8.37%	637,000	1.69%	89,500	16.35%
34	Coaching Salary/Benefits	7,910,123	21.62%	8,600,442	23.76%	690,319	8.73%	9,130,494	24.16%	530,052	6.16%
35	Admin Staff Salary/Benefits	4,786,700	13.09%	5,131,183	14.18%	344,483	7.20%	5,201,355	13.76%	70,172	1.37%
36	Severence Payments		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Recruiting	383,327	1.05%	393,500	1.09%	10,173	2.65%	432,722	1.15%	39,222	9.97%
38	Team Travel	2,061,440	5.64%	2,266,435	6.26%	204,995	9.94%	2,660,016	7.04%	393,581	17.37%
39	Equipment, Uniforms and Supplies	1,188,767	3.25%	1,192,174	3.29%	3,407	0.29%	1,209,932	3.20%	17,758	1.49%
40	Game Expenses	1,642,127	4.49%	900,652	2.49%	(741,475)	-45.15%	895,378	2.37%	(5,274)	-0.59%
41	Fund Raising, Marketing, Promotion	389,355	1.06%	274,147	0.76%	(115,208)	-29.59%	259,892	0.69%	(14,255)	-5.20%
42	Direct Facilities/Maint/Rentals	4,430,381	12.11%	2,410,595	6.66%	(2,019,786)	-45.59%	1,677,058	4.44%	(733,537)	-30.43%
43	Debt Service on Facilities	3,360,608	9.19%	4,183,902	11.56%	823,294	24.50%	5,012,328	13.26%	828,426	19.80%
44	Spirit Groups	118,297	0.32%	208,377	0.58%	90,080	76.15%	115,205	0.30%	(93,172)	-44.71%
45	Medical Expenses & Insurance	125,596	0.34%	69,500	0.19%	(56,096)	-44.66%	67,500	0.18%	(2,000)	-2.88%
46	Memberships & Dues	479,800	1.31%	505,857	1.40%	26,057	5.43%	520,461	1.38%	14,604	2.89%
47	NCAA/Special Event/Bowls	497,587	1.36%	170,835	0.47%	(326,752)	-65.67%	27,904	0.07%	(142,931)	-83.67%
48	Other Operating Expenses	935,820	2.56%	1,007,042	2.78%	71,222	7.61%	936,924	2.48%	(70,118)	-6.96%
49	Subtotal Operating Expenditures	32,772,543	89.59%	32,267,018	89.14%	(505,525)	-1.54%	33,428,870	88.46%	1,161,852	3.60%
50	**Non-Cash Expenditures**										
51	3rd Party Coaches Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
52	3rd Party Admin Staff Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
53	Indirect Facilities & Admin Support	1,822,713	4.98%	1,836,283	5.07%	13,570	0.74%	2,044,215	5.41%	207,932	11.32%
54	Non-Cash Expense		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
55	Out-of-State Tuition Expense	1,983,889	5.42%	2,094,560	5.79%	110,671	5.58%	2,317,482	6.13%	222,922	10.64%
56	Subtotal Non-Cash Expenditures	3,806,602	10.41%	3,930,843	10.86%	124,241	3.26%	4,361,697	11.54%	430,854	10.96%
57	**Total Expenditures:**	36,579,145	100.00%	36,197,861	100.00%	(381,284)	-1.04%	37,790,567	100.00%	1,592,706	4.40%

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
58											
59	**Net Income/(deficit)**	25,578		346,633		321,055	1255.20%	(970,151)		(1,316,784)	-379.88%
60											
61	**Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)**	657,554		1,004,187		346,633	52.72%	34,036		(970,151)	-96.61%
62											
63	**Sport Camps & Clinics**										
64	Revenue	886,724		400,000		(486,724)	-54.89%	400,000	1.06%	0	0.00%
65	Coach Compensation from Camp	196,637		150,000		(46,637)	-23.72%	150,000	0.40%	0	0.00%
66	Camp Expenses	517,499		250,000		(267,499)	-51.69%	250,000	0.66%	0	0.00%
67	Total Expenses	714,136		400,000		(314,136)	-43.99%	400,000	1.06%	0	0.00%
68	**Ending Fund Balance 6/30-BSU Camps**	571,772									
69	Net Income from Camps	744,360		0		(744,360)	-100.00%	0		0	0.00%

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Attachment 5

		(1) FY11 Act	(2) %	(3) FY12 Est as of 5/10	(4) %	(5) (3-1) Variance 12 Est/11 Act	(6) (5/1) Variance %	(7) FY13 Orig Oper Bdgt	(8) %	(9) (7-3) Variance 13 Bud/12 Est	(10) (9/3) Variance %
	Revenue by Program:										
1	**General Revenue:**										
2	Student Fees	3,151,147	9.61%	3,286,096	10.08%	134,949	4.28%	3,493,676	10.76%	207,580	6.32%
3	Contributions	9,594,182	29.25%	6,321,983	19.38%	(3,272,199)	-34.11%	9,742,816	30.02%	3,420,833	54.11%
4	Direct State General Funds	2,211,077	6.74%	2,214,700	6.79%	3,623	0.16%	2,424,400	7.47%	209,700	9.47%
5	Gender Equity - General Funds	976,872	2.98%	976,872	3.00%	0	0.00%	976,872	3.01%	0	0.00%
6	Institutional Support	346,600	1.06%	346,600	1.06%	0	0.00%	386,100	1.19%	39,500	11.40%
7	NCAA/Conference	1,298,910	3.96%	3,614,637	11.08%	2,315,727	178.28%	1,150,715	3.55%	(2,463,922)	-68.17%
8	TV/Radio/Internet	140,598	0.43%	50,000	0.15%	(90,598)	-64.44%	50,000	0.15%	0	0.00%
9	Concessions/program/etc.	945,438	2.88%	915,135	2.81%	(30,303)	-3.21%	844,760	2.60%	(70,375)	-7.69%
10	Advertising/sponsorship/Royalty	3,612,480	11.01%	3,289,576	10.09%	(322,904)	-8.94%	3,309,107	10.19%	19,531	0.59%
11	Endowments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
12	NCAA/Bowl/World Series	524,641	1.60%	149,500	0.46%	(375,141)	-71.50%	29,750	0.09%	(119,750)	-80.10%
13	Other	880,479	2.68%	1,940,010	5.95%	1,059,531	120.34%	767,424	2.36%	(1,172,586)	-60.44%
14	Total General Revenue	23,682,424	72.21%	23,105,109	70.84%	(577,315)	-2.44%	23,175,620	71.40%	70,511	0.31%
15	**Revenue By Sport:**										
16	**Men's Programs:**										
17	Football										
18	Ticket Sales	7,009,544	21.37%	6,721,984	20.61%	(287,560)	-4.10%	7,247,723	22.33%	525,739	7.82%
19	Game Guarantees	1,450,000	4.42%	2,200,000	6.75%	750,000	51.72%	1,575,000	4.85%	(625,000)	-28.41%
20	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
21	Basketball		0.00%		0.00%		0.00%		0.00%		0.00%
22	Ticket Sales	526,157	1.60%	552,176	1.69%	26,019	4.95%	414,528	1.28%	(137,648)	-24.93%
23	Game Guarantees	50,000	0.15%		0.00%	(50,000)	-100.00%		0.00%	0	0.00%
24	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
25	Track & Field/Cross Country	3,275	0.01%	2,588	0.01%	(687)	-20.98%	3,226	0.01%	638	24.65%
26	Tennis		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
27	Baseball Ticket Sales		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
28	Wrestling	28,706	0.09%	4,313	0.01%	(24,393)	-84.98%	5,377	0.02%	1,064	24.67%
29	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
30	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
31	Total Men's Sport Revenue	9,067,682	27.65%	9,481,061	29.07%	413,379	4.56%	9,245,854	28.48%	(235,207)	-2.48%
32	**Women's Programs**										
33	Volleyball										
34	Ticket Sales	4,729	0.01%	3,738	0.01%	(991)	-20.96%	4,660	0.01%	922	24.67%
35	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
36	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Basketball						0.00%				0.00%
38	Ticket Sales	20,366	0.06%	5,628	0.02%	(14,738)	-72.37%	10,000	0.03%	4,372	77.68%
39	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
40	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
41	Track & Field/Cross Country	3,275	0.01%	2,588	0.01%	(687)	-20.98%	3,226	0.01%	638	24.65%
42	Tennis		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
43	Gymnastics	7,276	0.02%	5,751	0.02%	(1,525)	-20.96%	7,170	0.02%	1,419	24.67%
44	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
45	Soccer	7,276	0.02%	5,751	0.02%	(1,525)	-20.96%	7,170	0.02%	1,419	24.67%
46	Softball	5,093	0.02%	4,025	0.01%	(1,068)	-20.97%	5,019	0.02%	994	24.70%
47	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
48	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
49	Total Women's Sport Rev	48,015	0.15%	27,481	0.08%	(20,534)	-42.77%	37,245	0.11%	9,764	35.53%
50	**Total Revenue**	32,798,121	100.00%	32,613,651	100.00%	(184,470)	-0.56%	32,458,719	100.00%	(154,932)	-0.48%

Boise State University
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Attachment 5

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
51	**Expenditures by Sport**										
52	**Administrative and General**										
53	Athletic Director Office	1,486,160	4.53%	1,896,475	5.88%	410,315	27.61%	1,913,512	5.72%	17,037	0.90%
54	Fund Raising Office	1,175,263	3.59%	739,802	2.29%	(435,461)	-37.05%	748,451	2.24%	8,649	1.17%
55	Academics Support	963,391	2.94%	1,125,767	3.49%	162,376	16.85%	1,014,201	3.03%	(111,566)	-9.91%
56	Media Relations	261,561	0.80%	317,834	0.99%	56,273	21.51%	362,051	1.08%	44,217	13.91%
57	Marketing and Promotions	809,449	2.47%	403,149	1.25%	(406,300)	-50.19%	433,025	1.30%	29,876	7.41%
58	Ticket Office	291,231	0.89%	350,247	1.09%	59,016	20.26%	381,901	1.14%	31,654	9.04%
59	Athletic Training Room	590,457	1.80%	587,236	1.82%	(3,221)	-0.55%	644,162	1.93%	56,926	9.69%
60	Memberships and Dues	479,800	1.46%	505,857	1.57%	26,057	5.43%	520,461	1.56%	14,604	2.89%
61	Facilities Mtn & Debt Service	5,051,465	15.41%	6,527,206	20.23%	1,475,741	29.21%	7,373,419	22.06%	846,213	12.96%
62	Capital Improvements	3,832,545	11.69%		0.00%	(3,832,545)	-100.00%		0.00%	0	0.00%
63	NCAA/Special Event/Bowls	497,587	1.52%	170,835	0.53%	(326,752)	-65.67%	27,904	0.08%	(142,931)	-83.67%
64	Other Miscellaneous	1,444,657	4.41%	3,702,777	11.48%	2,258,120	156.31%	3,006,564	8.99%	(696,213)	-18.80%
65	**Total Admin & General**	16,883,566	51.52%	16,327,185	50.60%	(556,381)	-3.30%	16,425,651	49.14%	98,466	0.60%
66											
67	**Men's Programs:**										
68	Football	7,834,316	23.91%	8,335,865	25.83%	501,549	6.40%	8,898,452	26.62%	562,587	6.75%
69	Basketball	1,926,002	5.88%	1,515,838	4.70%	(410,164)	-21.30%	1,642,056	4.91%	126,218	8.33%
70	Track & Field/Cross Country	486,153	1.48%	481,086	1.49%	(5,067)	-1.04%	498,640	1.49%	17,554	3.65%
71	Tennis	345,771	1.06%	284,223	0.88%	(61,548)	-17.80%	322,554	0.96%	38,331	13.49%
72	Baseball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
73	Wrestling	433,774	1.32%	434,806	1.35%	1,032	0.24%	447,214	1.34%	12,408	2.85%
74	Golf	180,976	0.55%	169,075	0.52%	(11,901)	-6.58%	182,850	0.55%	13,775	8.15%
75	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
76	Rodeo		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
77	**Total Men's Programs**	11,206,992	34.20%	11,220,893	34.78%	13,901	0.12%	11,991,766	35.87%	770,873	6.87%
78											
79	**Women's Programs**										
80	Volleyball	528,957	1.61%	545,182	1.69%	16,225	3.07%	588,915	1.76%	43,733	8.02%
81	Basketball	1,028,580	3.14%	1,073,132	3.33%	44,552	4.33%	1,112,909	3.33%	39,777	3.71%
82	Track & Field/Cross Country	554,851	1.69%	565,691	1.75%	10,840	1.95%	586,031	1.75%	20,340	3.60%
83	Tennis	245,434	0.75%	251,195	0.78%	5,761	2.35%	272,879	0.82%	21,684	8.63%
84	Gymnastics	481,154	1.47%	490,483	1.52%	9,329	1.94%	512,168	1.53%	21,685	4.42%
85	Golf	192,740	0.59%	190,065	0.59%	(2,675)	-1.39%	206,827	0.62%	16,762	8.82%
86	Soccer	557,972	1.70%	483,387	1.50%	(74,585)	-13.37%	521,365	1.56%	37,978	7.86%
87	Softball	526,695	1.61%	560,822	1.74%	34,127	6.48%	611,419	1.83%	50,597	9.02%
88	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
89	Swimming	565,602	1.73%	558,983	1.73%	(6,619)	-1.17%	598,940	1.79%	39,957	7.15%
90	Rodeo/New Sport		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
91	**Total Women's Programs**	4,681,985	14.29%	4,718,940	14.62%	36,955	0.79%	5,011,453	14.99%	292,513	6.20%
92											
93	**Total Expenditures**	32,772,543	100.00%	32,267,018	100.00%	(505,525)	-1.54%	33,428,870	100.00%	1,161,852	3.60%

Idaho State University
Intercollegiate Athletics Report
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Attachment 6

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
1	**Revenue:**										
2	**Program Revenue:**										
3	Ticket Sales	222,452	2.10%	264,392	2.47%	41,940	18.85%	256,500	2.33%	(7,892)	-2.98%
4	Guarantees	1,179,000	11.11%	1,098,500	10.28%	(80,500)	-6.83%	1,362,000	12.39%	263,500	23.99%
5	Contributions	379,301	3.58%	363,000	3.40%	(16,301)	-4.30%	280,200	2.55%	(82,800)	-22.81%
6	NCAA/Conference/Tournaments	606,968	5.72%	601,374	5.63%	(5,594)	-0.92%	434,000	3.95%	(167,374)	-27.83%
7	TV/Radio/Internet Rights	4,782	0.05%		0.00%	(4,782)	-100.00%	0	0.00%	0	0.00%
8	Program/Novelty Sales, Concessionns, Parking	17,000	0.16%	17,000	0.16%	0	0.00%	17,000	0.15%	0	0.00%
9	Royalty, Advertisement, Sponsorship	499,071	4.70%	532,000	4.98%	32,929	6.60%	505,750	4.60%	(26,250)	-4.93%
10	Endowment/Investment Income	30,650	0.29%	23,140	0.22%	(7,510)	-24.50%	17,851	0.16%	(5,289)	-22.86%
11	Other	63,821	0.60%	131,296	1.23%	67,475	105.73%	63,569	0.58%	(67,727)	-51.58%
12	Total Program Revenue	3,003,045	28.31%	3,030,702	28.35%	27,657	0.92%	2,936,870	26.72%	(93,832)	-3.10%
13	**Non-Program Revenue:**										
14	NCAA/Bowl/World Series	3,240	0.03%		0.00%	(3,240)	-100.00%	0	0.00%	0	0.00%
15	Student Fees	2,149,637	20.26%	2,136,480	19.99%	(13,157)	-0.61%	2,158,480	19.64%	22,000	1.03%
16	Direct State General Funds	2,214,700	20.88%	2,214,700	20.72%	0	0.00%	2,424,400	22.06%	209,700	9.47%
17	Gender Equity - General Funds	721,500	6.80%	646,500	6.05%	(75,000)	-10.40%	707,700	6.44%	61,200	9.47%
18	Direct Institutional Support	424,628	4.00%	485,100	4.54%	60,472	14.24%	516,700	4.70%	31,600	6.51%
19	Subtotal State/Institutional Support	3,360,828	31.68%	3,346,300	31.31%	(14,528)	-0.43%	3,648,800	33.20%	302,500	9.04%
20	Total Non-Program Revenue	5,513,705	51.98%	5,482,780	51.30%	(30,925)	-0.56%	5,807,280	52.83%	324,500	5.92%
21	Subtotal Operating Revenue	8,516,750	80.29%	8,513,482	79.65%	(3,268)	-0.04%	8,744,150	79.55%	230,668	
22	**Non-Cash Revenue**										
23	Third Party Support	41,271	0.39%	35,000	0.33%	(6,271)	-15.19%	35,000	0.32%	0	0.00%
24	Indirect Institutional Support		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
25	Non-Cash Revenue	605,374	5.71%	600,000	5.61%	(5,374)	-0.89%	600,000	5.46%	0	0.00%
26	Out-of-State Tuition Revenue	1,444,723	13.62%	1,540,000	14.41%	95,277	6.59%	1,612,380	14.67%	72,380	4.70%
27	Subtotal Non-Cash Revenue	2,091,368	19.71%	2,175,000	20.35%	83,632	4.00%	2,247,380	20.45%	72,380	3.33%
28	**Total Revenue:**	10,608,118	100.00%	10,688,482	100.00%	80,364	0.76%	10,991,530	100.00%	303,048	2.84%
29											
30	**Expenditures**										
31	**Operating Expenditures:**										
32	Athletics Student Aid	1,902,615	18.03%	2,103,526	19.95%	200,911	10.56%	2,319,426	21.10%	215,900	10.26%
33	Guarantees	59,406	0.56%	61,000	0.58%	1,594	2.68%	66,000	0.60%	5,000	8.20%
34	Coaching Salary/Benefits	1,939,811	18.38%	1,995,742	18.93%	55,931	2.88%	2,074,518	18.87%	78,776	3.95%
35	Admin Staff Salary/Benefits	1,462,165	13.86%	1,335,940	12.67%	(126,225)	-8.63%	1,374,405	12.50%	38,465	2.88%
36	Severence Payments		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
37	Recruiting	194,743	1.85%	243,803	2.31%	49,060	25.19%	223,803	2.04%	(20,000)	-8.20%
38	Team Travel	872,386	8.27%	851,461	8.08%	(20,925)	-2.40%	995,067	9.05%	143,606	16.87%
39	Equipment, Uniforms and Supplies	311,693	2.95%	314,414	2.98%	2,721	0.87%	306,442	2.79%	(7,972)	-2.54%
40	Game Expenses	243,692	2.31%	237,840	2.26%	(5,852)	-2.40%	238,840	2.17%	1,000	0.42%
41	Fund Raising, Marketing, Promotion	168,456	1.60%	165,248	1.57%	(3,208)	-1.90%	165,248	1.50%	0	0.00%
42	Direct Facilities/Maint/Rentals	256,817	2.43%	143,042	1.36%	(113,775)	-44.30%	147,042	1.34%	4,000	2.80%
43	Debt Service on Facilities		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
44	Spirit Groups	57,628	0.55%		0.00%	(57,628)	-100.00%	0	0.00%	0	0.00%
45	Medical Expenses & Insurance	307,664	2.92%	272,810	2.59%	(34,854)	-11.33%	272,810	2.48%	0	0.00%
46	Memberships & Dues	44,648	0.42%	48,000	0.46%	3,352	7.51%	48,000	0.44%	0	0.00%
47	NCAA/Special Event/Bowls	3,240	0.03%		0.00%	(3,240)	-100.00%	0	0.00%	0	0.00%
48	Other Operating Expenses	635,043	6.02%	595,911	5.65%	(39,132)	-6.16%	512,024	4.66%	(83,887)	-14.08%
49	Subtotal Operating Expenditures	8,460,007	80.18%	8,368,737	79.37%	(91,270)	-1.08%	8,743,625	79.55%	374,888	4.48%
50	**Non-Cash Expenditures**										
51	3rd Party Coaches Compensation	37,282	0.35%	30,000	0.28%	(7,282)	-19.53%	30,000	0.27%	0	0.00%
52	3rd Party Admin Staff Compensation	3,989	0.04%	5,000	0.05%	1,011	25.34%	5,000	0.05%	0	0.00%
53	Indirect Facilities & Admin Support		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
54	Non-Cash Expense	605,374	5.74%	600,000	5.69%	(5,374)	-0.89%	600,000	5.46%	0	0.00%
55	Out-of-State Tuition Expense	1,444,723	13.69%	1,540,000	14.61%	95,277	6.59%	1,612,380	14.67%	72,380	4.70%
56	Subtotal Non-Cash Expenditures	2,091,368	19.82%	2,175,000	20.63%	83,632	4.00%	2,247,380	20.45%	72,380	3.33%
57	**Total Expenditures:**	10,551,375	100.00%	10,543,737	100.00%	(7,638)	-0.07%	10,991,005	100.00%	447,268	4.24%

Idaho State University
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Attachment 6

		(1) FY11 Act	(2) %	(3) FY12 Est as of 5/10	(4) %	(5) (3-1) Variance 12 Est/11 Act	(6) (5/1) Variance %	(7) FY13 Orig Oper Bdgt	(8) %	(9) (7-3) Variance 13 Bud/12 Est	(10) (9/3) Variance %
58											
59	**Net Income/(deficit)**	56,743		144,745		88,002	155.09%	525		(144,220)	-99.64%
60											
61	**Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)**	1,425,380		1,570,125		144,745	10.15%	1,570,650		525	0.03%
62											
63	**Sport Camps & Clinics**										
64	Revenue	127,179		150,000		22,821	17.94%	150,000	1.36%	0	0.00%
65	Coach Compensation from Camp	65,387		90,000		24,613	37.64%	90,000	0.82%	0	0.00%
66	Camp Expenses	76,190		60,000		(16,190)	-21.25%	60,000	0.55%	0	0.00%
67	Total Expenses	141,577		150,000		8,423	5.95%	150,000	1.36%	0	0.00%
68											
69	Net Income from Camps	-14,398		0		14,398	-100.00%	0		0	0.00%

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
	Revenue by Program:										
1	**General Revenue:**										
2	Student Fees	2,149,637	25.24%	2,136,480	25.10%	(13,157)	-0.61%	2,158,480	24.68%	22,000	1.03%
3	Contributions	379,301	4.45%	363,000	4.26%	(16,301)	-4.30%	280,200	3.20%	(82,800)	-22.81%
4	Direct State General Funds	2,214,700	26.00%	2,214,700	26.01%	0	0.00%	2,424,400	27.73%	209,700	9.47%
5	Gender Equity - General Funds	721,500	8.47%	646,500	7.59%	(75,000)	-10.40%	707,700	8.09%	61,200	9.47%
6	Institutional Support	424,628	4.99%	485,100	5.70%	60,472	14.24%	516,700	5.91%	31,600	6.51%
7	NCAA/Conference	606,968	7.13%	601,374	7.06%	(5,594)	-0.92%	434,000	4.96%	(167,374)	-27.83%
8	TV/Radio/Internet	4,782	0.06%	0	0.00%	(4,782)	-100.00%	0	0.00%	0	0.00%
9	Concessions/program/etc.	17,000	0.20%	17,000	0.20%	0	0.00%	17,000	0.19%	0	0.00%
10	Advertising/sponsorship/Royalty	499,071	5.86%	532,000	6.25%	32,929	6.60%	505,750	5.78%	(26,250)	-4.93%
11	Endowments	30,650	0.36%	23,140	0.27%	(7,510)	-24.50%	17,851	0.20%	(5,289)	-22.86%
12	NCAA/Bowl/World Series	3,240	0.04%	0	0.00%	(3,240)	-100.00%	0	0.00%	0	0.00%
13	Other	63,821	0.75%	131,296	1.54%	67,475	105.73%	63,569	0.73%	(67,727)	-51.58%
14	Total General Revenue	7,115,298	83.54%	7,150,590	83.99%	35,292	0.50%	7,125,650	81.49%	(24,940)	-0.35%
15	**Revenue By Sport:**										
16	**Men's Programs:**										
17	Football										
18	Ticket Sales	106,830	1.25%	148,000	1.74%	41,170	38.54%	140,000	1.60%	(8,000)	-5.41%
19	Game Guarantees	725,000	8.51%	720,000	8.46%	(5,000)	-0.69%	970,000	11.09%	250,000	34.72%
20	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
21	Basketball										
22	Ticket Sales	77,955	0.92%	83,500	0.98%	5,545	7.11%	82,300	0.94%	(1,200)	-1.44%
23	Game Guarantees	368,000	4.32%	328,000	3.85%	(40,000)	-10.87%	320,000	3.66%	(8,000)	-2.44%
24	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
25	Track & Field/Cross Country	3,348	0.04%	2,250	0.03%	(1,098)	-32.80%	2,000	0.02%	(250)	-11.11%
26	Tennis		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
27	Baseball Ticket Sales		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
28	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
29	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
30	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
31	Total Men's Sport Revenue	1,281,133	15.04%	1,281,750	15.06%	617	0.05%	1,514,300	17.32%	232,550	18.14%
32	**Women's Programs**										
33	Volleyball										
34	Ticket Sales	4,307	0.05%	3,781	0.04%	(526)	-12.21%	3,200	0.04%	(581)	-15.37%
35	Game Guarantees	2,000	0.02%	6,000	0.07%	4,000	200.00%		0.00%	(6,000)	-100.00%
36	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Basketball						0.00%				0.00%
38	Ticket Sales	22,812	0.27%	21,900	0.26%	(912)	-4.00%	23,000	0.26%	1,100	5.02%
39	Game Guarantees	76,000	0.89%	44,000	0.52%	(32,000)	-42.11%	72,000	0.82%	28,000	63.64%
40	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
41	Track & Field/Cross Country	3,347	0.04%	2,250	0.03%	(1,097)	-32.78%	2,000	0.02%	(250)	-11.11%
42	Tennis		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
43	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
44	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
45	Soccer	8,853	0.10%	3,211	0.04%	(5,642)	-63.73%	4,000	0.05%	789	24.57%
46	Softball	3,000	0.04%		0.00%	(3,000)	-100.00%		0.00%	0	0.00%
47	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
48	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
49	Total Women's Sport Rev	120,319	1.41%	81,142	0.95%	(39,177)	-32.56%	104,200	1.19%	23,058	28.42%
50	**Total Revenue**	8,516,750	100.00%	8,513,482	100.00%	(3,268)	-0.04%	8,744,150	100.00%	230,668	2.71%

Idaho State University
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Attachment 6

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
51	**Expenditures by Sport**										
52	**Administrative and General**										
53	Athletic Director Office	755,459	8.93%	632,271	7.56%	(123,188)	-16.31%	603,279	6.90%	(28,992)	-4.59%
54	Fund Raising Office	190,175	2.25%	211,203	2.52%	21,028	11.06%	205,597	2.35%	(5,606)	-2.65%
55	Academics Support	251,903	2.98%	202,420	2.42%	(49,483)	-19.64%	212,027	2.42%	9,607	4.75%
56	Media Relations	191,580	2.26%	177,610	2.12%	(13,970)	-7.29%	180,469	2.06%	2,859	1.61%
57	Marketing and Promotions	203,317	2.40%	176,907	2.11%	(26,410)	-12.99%	180,858	2.07%	3,951	2.23%
58	Ticket Office		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
59	Athletic Training Room	276,060	3.26%	271,793	3.25%	(4,267)	-1.55%	293,632	3.36%	21,839	8.04%
60	Memberships and Dues	44,648	0.53%	45,000	0.54%	352	0.79%	48,000	0.55%	3,000	6.67%
61	Facilities Mtn & Debt Service	85,000	1.00%	85,000	1.02%	0	0.00%	85,000	0.97%	0	0.00%
62	Capital Improvements		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
63	NCAA/Special Event/Bowls		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
64	Other Miscellaneous	756,101	8.94%	501,387	5.99%	(254,714)	-33.69%	468,674	5.36%	(32,713)	-6.52%
65	**Total Admin & General**	2,754,243	32.56%	2,303,591	27.53%	(450,652)	-16.36%	2,277,536	26.05%	(26,055)	-1.13%
66											
67	**Men's Programs:**										
68	Football	2,050,701	24.24%	2,301,474	27.50%	250,773	12.23%	2,539,902	29.05%	238,428	10.36%
69	Basketball	907,169	10.72%	855,971	10.23%	(51,198)	-5.64%	825,505	9.44%	(30,466)	-3.56%
70	Track & Field/Cross Country	276,797	3.27%	298,659	3.57%	21,862	7.90%	312,903	3.58%	14,244	4.77%
71	Tennis	109,243	1.29%	97,558	1.17%	(11,685)	-10.70%	107,978	1.23%	10,420	10.68%
72	Baseball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
73	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
74	Golf		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
75	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
76	Rodeo		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
77	**Total Men's Programs**	3,343,910	39.53%	3,553,662	42.46%	209,752	6.27%	3,786,288	43.30%	232,626	6.55%
78											
79	**Women's Programs**										
80	Volleyball	373,993	4.42%	385,966	4.61%	11,973	3.20%	407,833	4.66%	21,867	5.67%
81	Basketball	631,067	7.46%	690,040	8.25%	58,973	9.34%	747,702	8.55%	57,662	8.36%
82	Track & Field/Cross Country	376,260	4.45%	411,701	4.92%	35,441	9.42%	443,501	5.07%	31,800	7.72%
83	Tennis	132,909	1.57%	142,492	1.70%	9,583	7.21%	164,570	1.88%	22,078	15.49%
84	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
85	Golf	108,037	1.28%	112,075	1.34%	4,038	3.74%	123,266	1.41%	11,191	9.99%
86	Soccer	407,010	4.81%	422,566	5.05%	15,556	3.82%	446,195	5.10%	23,629	5.59%
87	Softball	332,578	3.93%	346,644	4.14%	14,066	4.23%	346,734	3.97%	90	0.03%
88	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
89	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
90	Rodeo/New Sport		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
91	**Total Women's Programs**	2,361,854	27.92%	2,511,484	30.01%	149,630	6.34%	2,679,801	30.65%	168,317	6.70%
92											
93	**Total Expenditures**	8,460,007	100.00%	8,368,737	100.00%	(91,270)	-1.08%	8,743,625	100.00%	374,888	4.48%

University of Idaho
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Attachment 7

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
1	**Revenue:**										
2	**Program Revenue:**										
3	Ticket Sales	1,077,791	6.21%	534,127	2.90%	(543,664)	-50.44%	504,250	2.71%	(29,877)	-5.59%
4	Guarantees	1,063,980	6.13%	2,213,000	12.02%	1,149,020	107.99%	2,471,000	13.26%	258,000	11.66%
5	Contributions	2,084,036	12.00%	2,816,197	15.29%	732,161	35.13%	2,797,793	15.01%	(18,404)	-0.65%
6	NCAA/Conference/Tournaments	2,004,216	11.54%	1,525,841	8.29%	(478,375)	-23.87%	1,494,209	8.02%	(31,632)	-2.07%
7	TV/Radio/Internet Rights	50,000	0.29%	50,000	0.27%	0	0.00%	50,000	0.27%	0	0.00%
8	Program/Novelty Sales, Concessionns, Parking	36,037	0.21%	34,250	0.19%	(1,787)	-4.96%	32,850	0.18%	(1,400)	-4.09%
9	Royalty, Advertisement, Sponsorship	385,041	2.22%	892,500	4.85%	507,459	131.79%	737,500	3.96%	(155,000)	-17.37%
10	Endowment/Investment Income	231,743	1.33%	216,892	1.18%	(14,851)	-6.41%	220,000	1.18%	3,108	1.43%
11	Other	297,993	1.72%	469,500	2.55%	171,507	57.55%	330,000	1.77%	(139,500)	-29.71%
12	Total Program Revenue	7,230,837	41.64%	8,752,307	47.53%	1,521,470	21.04%	8,637,602	46.35%	(114,705)	-1.31%
13	**Non-Program Revenue:**										
14	NCAA/Bowl/World Series	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
15	Student Fees	2,317,147	13.34%	2,335,025	12.68%	17,878	0.77%	2,320,309	12.45%	(14,716)	-0.63%
16	Direct State General Funds	2,214,700	12.75%	2,214,700	12.03%	0	0.00%	2,424,400	13.01%	209,700	9.47%
17	Gender Equity - General Funds	1,632,885	9.40%	846,560	4.60%	(786,325)	-48.16%	926,660	4.97%	80,100	9.46%
18	Direct Institutional Support	617,506	3.56%	666,530	3.62%	49,024	7.94%	772,100	4.14%	105,570	15.84%
19	Subtotal State/Institutional Support	4,465,091	25.71%	3,727,790	20.24%	(737,301)	-16.51%	4,123,160	22.12%	395,370	10.61%
20	Total Non-Program Revenue	6,782,238	39.05%	6,062,815	32.92%	(719,423)	-10.61%	6,443,469	34.58%	380,654	6.28%
21	Subtotal Operating Revenue	14,013,075	80.69%	14,815,122	80.46%	802,047	5.72%	15,081,071	80.93%	265,949	
22	**Non-Cash Revenue**										
23	Third Party Support	381,000	2.19%	402,300	2.18%	21,300	5.59%	412,300	2.21%	10,000	2.49%
24	Indirect Institutional Support	354,418	2.04%	389,437	2.11%	35,019	9.88%	267,406	1.43%	(122,031)	-31.34%
25	Non-Cash Revenue	457,572	2.63%	539,460	2.93%	81,888	17.90%	536,710	2.88%	(2,750)	-0.51%
26	Out-of-State Tuition Revenue	2,160,805	12.44%	2,267,708	12.32%	106,903	4.95%	2,338,347	12.55%	70,639	3.12%
27	Subtotal Non-Cash Revenue	3,353,795	19.31%	3,598,905	19.54%	245,110	7.31%	3,554,763	19.07%	(44,142)	-1.23%
28	**Total Revenue:**	17,366,870	100.00%	18,414,028	100.00%	1,047,158	6.03%	18,635,834	100.00%	221,807	1.20%
29											
30	**Expenditures**										
31	**Operating Expenditures:**										
32	Athletics Student Aid	2,956,509	17.24%	3,152,441	17.12%	195,932	6.63%	3,281,484	17.62%	129,043	4.09%
33	Guarantees	313,905	1.83%	321,750	1.75%	7,845	2.50%	314,740	1.69%	(7,010)	-2.18%
34	Coaching Salary/Benefits	2,716,981	15.84%	3,011,229	16.36%	294,248	10.83%	3,068,462	16.47%	57,232	1.90%
35	Admin Staff Salary/Benefits	1,887,726	11.01%	1,860,881	10.11%	(26,845)	-1.42%	1,968,694	10.57%	107,813	5.79%
36	Severence Payments	0	0.00%	25,000	0.14%	25,000	100.00%	0	0.00%	(25,000)	-100.00%
37	Recruiting	367,071	2.14%	413,780	2.25%	46,709	12.72%	411,680	2.21%	(2,100)	-0.51%
38	Team Travel	1,913,014	11.15%	1,857,412	10.09%	(55,602)	-2.91%	2,146,416	11.52%	289,004	15.56%
39	Equipment, Uniforms and Supplies	446,713	2.60%	548,250	2.98%	101,537	22.73%	536,571	2.88%	(11,678)	-2.13%
40	Game Expenses	590,233	3.44%	686,164	3.73%	95,931	16.25%	635,256	3.41%	(50,908)	-7.42%
41	Fund Raising, Marketing, Promotion	231,482	1.35%	264,210	1.44%	32,728	14.14%	233,641	1.25%	(30,569)	-11.57%
42	Direct Facilities/Maint/Rentals	64,870	0.38%	22,000	0.12%	(42,870)	-66.09%	19,500	0.10%	(2,500)	-11.36%
43	Debt Service on Facilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
44	Spirit Groups	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
45	Medical Expenses & Insurance	338,615	1.97%	376,455	2.04%	37,840	11.17%	342,655	1.84%	(33,800)	-8.98%
46	Memberships & Dues	414,258	2.42%	409,100	2.22%	(5,158)	-1.25%	409,100	2.20%	0	0.00%
47	NCAA/Special Event/Bowls	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
48	Other Operating Expenses	1,556,252	9.07%	1,861,833	10.11%	305,581	19.64%	1,705,369	9.15%	(156,464)	-8.40%
49	Subtotal Operating Expenditures	13,797,629	80.45%	14,810,505	80.45%	1,012,876	7.34%	15,073,569	80.92%	263,064	1.78%
50	**Non-Cash Expenditures**										
51	3rd Party Coaches Compensation	363,500	2.12%	384,800	2.09%	21,300	5.86%	394,800	2.12%	10,000	2.60%
52	3rd Party Admin Staff Compensation	17,500	0.10%	17,500	0.10%	0	0.00%	17,500	0.09%	0	0.00%
53	Indirect Facilities & Admin Support	354,418	2.07%	389,437	2.12%	35,019	9.88%	267,406	1.44%	(122,031)	-31.34%
54	Non-Cash Expense	457,572	2.67%	539,460	2.93%	81,888	17.90%	536,710	2.88%	(2,750)	-0.51%
55	Out-of-State Tuition Expense	2,160,805	12.60%	2,267,708	12.32%	106,903	4.95%	2,338,347	12.55%	70,639	3.12%
56	Subtotal Non-Cash Expenditures	3,353,795	19.55%	3,598,905	19.55%	245,110	7.31%	3,554,763	19.08%	(44,142)	-1.23%
57	**Total Expenditures:**	17,151,424	100.00%	18,409,410	100.00%	1,257,986	7.33%	18,628,332	100.00%	218,922	1.19%

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
58											
59	**Net Income/(deficit)**	215,446		4,617		(210,829)	-97.86%	7,502		2,885	62.49%
60											
61	**Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)**	93,284		97,901		4,617	4.95%	105,403		7,502	7.66%
62											
63	**Sport Camps & Clinics**										
64	Revenue	178,433		236,300		57,867	32.43%	236,300	1.27%	0	0.00%
65	Coach Compensation from Camp	31,275		61,828		30,553	97.69%	61,828	0.33%	0	0.00%
66	Camp Expenses	131,411		174,472		43,061	32.77%	174,472	0.94%	0	0.00%
67	Total Expenses	162,686		236,300		73,614	45.25%	236,300	1.27%	0	0.00%
68											
69	Net Income from Camps	15,747		0		(15,747)	-100.00%	0		0	0.00%

University of Idaho
Intercollegiate Athletics Report
FY11 Actuals, Revised Estimates for FY12, and FY13 Operating Budgets

Attachment 7

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
	Revenue by Program:										
1	**General Revenue:**										
2	Student Fees	2,317,147	16.54%	2,335,025	15.76%	17,878	0.77%	2,320,309	15.39%	(14,716)	-0.63%
3	Contributions	2,084,036	14.87%	2,816,197	19.01%	732,161	35.13%	2,797,793	18.55%	(18,404)	-0.65%
4	Direct State General Funds	2,214,700	15.80%	2,214,700	14.95%	0	0.00%	2,424,400	16.08%	209,700	9.47%
5	Gender Equity - General Funds	1,632,885	11.65%	846,560	5.71%	(786,325)	-48.16%	926,660	6.14%	80,100	9.46%
6	Institutional Support	617,506	4.41%	666,530	4.50%	49,024	7.94%	772,100	5.12%	105,570	15.84%
7	NCAA/Conference	2,004,216	14.30%	1,525,841	10.30%	(478,375)	-23.87%	1,494,209	9.91%	(31,632)	-2.07%
8	TV/Radio/Internet	50,000	0.36%	50,000	0.34%	0	0.00%	50,000	0.33%	0	0.00%
9	Concessions/program/etc.	36,037	0.26%	34,250	0.23%	(1,787)	-4.96%	32,850	0.22%	(1,400)	-4.09%
10	Advertising/sponsorship/Royalty	385,041	2.75%	892,500	6.02%	507,459	131.79%	737,500	4.89%	(155,000)	-17.37%
11	Endowments	231,743	1.65%	216,892	1.46%	(14,851)	-6.41%	220,000	1.46%	3,108	1.43%
12	NCAA/Bowl/World Series	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
13	Other	297,993	2.13%	469,500	3.17%	171,507	57.55%	330,000	2.19%	(139,500)	-29.71%
14	Total General Revenue	11,871,304	84.72%	12,067,995	81.46%	196,691	1.66%	12,105,821	80.27%	37,826	0.31%
15	**Revenue By Sport:**										
16	**Men's Programs:**										
17	Football										
18	Ticket Sales	998,844	7.13%	449,424	3.03%	(549,420)	-55.01%	440,000	2.92%	(9,424)	-2.10%
19	Game Guarantees	950,000	6.78%	2,075,000	14.01%	1,125,000	118.42%	2,350,000	15.58%	275,000	13.25%
20	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
21	Basketball										
22	Ticket Sales	68,274	0.49%	69,703	0.47%	1,429	2.09%	55,000	0.36%	(14,703)	-21.09%
23	Game Guarantees	89,980	0.64%	87,000	0.59%	(2,980)	-3.31%	77,000	0.51%	(10,000)	-11.49%
24	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
25	Track & Field/Cross Country	0	0.00%	0	0.00%	0	0.00%		0.00%	0	0.00%
26	Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
27	Baseball Ticket Sales		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
28	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
29	Golf	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
30	Volleyball	0	0.00%	0	0.00%	0	0.00%		0.00%	0	0.00%
31	Total Men's Sport Revenue	2,107,098	15.04%	2,681,127	18.10%	574,029	27.24%	2,922,000	19.38%	240,873	8.98%
32	**Women's Programs**										
33	Volleyball										
34	Ticket Sales	4,789	0.03%	8,000	0.05%	3,211	67.05%	6,000	0.04%	(2,000)	-25.00%
35	Game Guarantees	4,000	0.03%	3,000	0.02%	(1,000)	-25.00%	4,000	0.03%	1,000	33.33%
36	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
37	Basketball						0.00%				0.00%
38	Ticket Sales	5,884	0.04%	7,000	0.05%	1,116	18.97%	3,250	0.02%	(3,750)	-53.57%
39	Game Guarantees	20,000	0.14%	44,000	0.30%	24,000	120.00%	35,000	0.23%	(9,000)	-20.45%
40	Other (Tourn/Bowl/Conf)	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
41	Track & Field/Cross Country	0	0.00%	0	0.00%	0	0.00%		0.00%	0	0.00%
42	Tennis	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
43	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
44	Golf	0	0.00%	0	0.00%	0	0.00%		0.00%	0	0.00%
45	Soccer	0	0.00%	4,000	0.03%	4,000	100.00%	5,000	0.03%	1,000	25.00%
46	Softball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
47	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
48	Swimming	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
49	Total Women's Sport Rev	34,673	0.25%	66,000	0.45%	31,327	90.35%	53,250	0.35%	(12,750)	-19.32%
50	**Total Revenue**	14,013,075	100.00%	14,815,122	100.00%	802,047	5.72%	15,081,071	100.00%	265,949	1.80%

University of Idaho
Intercollegiate Athletics Report
FY11 Actuals, Revised Estimates for FY12, and FY13 Operating Budgets

Attachment 7

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
51	**Expenditures by Sport**										
52	**Administrative and General**										
53	Athletic Director Office	969,157	7.02%	964,682	6.51%	(4,475)	-0.46%	823,306	5.46%	(141,377)	-14.66%
54	Fund Raising Office	316,086	2.29%	361,748	2.44%	45,662	14.45%	351,299	2.33%	(10,448)	-2.89%
55	Academics Support	139,842	1.01%	151,929	1.03%	12,087	8.64%	155,546	1.03%	3,617	2.38%
56	Media Relations	187,655	1.36%	193,769	1.31%	6,114	3.26%	193,879	1.29%	110	0.06%
57	Marketing and Promotions	157,666	1.14%	181,666	1.23%	24,000	15.22%	191,390	1.27%	9,724	5.35%
58	Ticket Office	228,959	1.66%	268,415	1.81%	39,456	17.23%	203,215	1.35%	(65,200)	-24.29%
59	Athletic Training Room	585,811	4.25%	250,000	1.69%	(335,811)	-57.32%	265,000	1.76%	15,000	6.00%
60	Memberships and Dues	414,258	3.00%	409,100	2.76%	(5,158)	-1.25%	409,100	2.71%	0	0.00%
61	Facilities Mtn & Debt Service	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
62	Capital Improvements	37,321	0.27%	14,000	0.09%	(23,321)	-62.49%	18,500	0.12%	4,500	32.14%
63	NCAA/Special Event/Bowls	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
64	Other Miscellaneous	661,496	4.79%	1,217,514	8.22%	556,018	84.05%	1,330,217	8.82%	112,703	9.26%
65	**Total Admin & General**	3,698,251	26.80%	4,012,824	27.09%	314,573	8.51%	3,941,452	26.15%	(71,371)	-1.78%
66											
67	**Men's Programs:**										
68	Football	4,587,974	33.25%	4,904,770	33.12%	316,796	6.90%	5,092,657	33.79%	187,887	3.83%
69	Basketball	1,377,144	9.98%	1,356,015	9.16%	(21,129)	-1.53%	1,301,415	8.63%	(54,600)	-4.03%
70	Track & Field/Cross Country	396,216	2.87%	412,494	2.79%	16,278	4.11%	427,689	2.84%	15,195	3.68%
71	Tennis	156,923	1.14%	184,955	1.25%	28,032	17.86%	195,215	1.30%	10,259	5.55%
72	Baseball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
73	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
74	Golf	198,443	1.44%	195,428	1.32%	(3,015)	-1.52%	207,827	1.38%	12,399	6.34%
75	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
76	Rodeo		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
77	**Total Men's Programs**	6,716,700	48.68%	7,053,662	47.63%	336,962	5.02%	7,224,803	47.93%	171,141	2.43%
78											
79	**Women's Programs**										
80	Volleyball	607,615	4.40%	663,308	4.48%	55,693	9.17%	720,074	4.78%	56,766	8.56%
81	Basketball	865,568	6.27%	1,036,210	7.00%	170,642	19.71%	1,058,240	7.02%	22,030	2.13%
82	Track & Field/Cross Country	443,724	3.22%	506,468	3.42%	62,744	14.14%	523,949	3.48%	17,481	3.45%
83	Tennis	216,623	1.57%	236,204	1.59%	19,581	9.04%	238,276	1.58%	2,072	0.88%
84	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
85	Golf	225,705	1.64%	227,670	1.54%	1,965	0.87%	238,771	1.58%	11,101	4.88%
86	Soccer	520,781	3.77%	556,383	3.76%	35,602	6.84%	606,526	4.02%	50,143	9.01%
87	Softball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
88	Skiing		0.00%		0.00%	0	0.00%		0.00%	96,959	100.00%
89	Swimming	502,662	3.64%	517,776	3.50%	15,114	3.01%	521,478	3.46%	3,702	0.71%
90	Rodeo/New Sport		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
91	**Total Women's Programs**	3,382,678	24.52%	3,744,020	25.28%	361,342	10.68%	3,907,314	25.92%	260,253	6.95%
92											
93	**Total Expenditures**	13,797,629	100.00%	14,810,505	100.00%	1,012,876	7.34%	15,073,569	100.00%	263,064	1.78%

Lewis Clark State College
Intercollegiate Athletics Report
FY11 Actuals, Revised Estimates for FY12, and FY13 Operating Budgets

Attachment 8

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
1	**Revenue:**										
2	**Program Revenue:**										
3	Ticket Sales	37,100	1.07%	36,013	1.03%	(1,087)	-2.93%	35,000	0.92%	(1,013)	-2.81%
4	Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
5	Contributions	550,514	15.83%	520,729	14.84%	(29,785)	-5.41%	513,500	13.51%	(7,229)	-1.39%
6	NCAA/Conference/Tournaments		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
7	TV/Radio/Internet Rights	6,350	0.18%	4,900	0.14%	(1,450)	-22.83%	5,000	0.13%	100	2.04%
8	Program/Novelty Sales, Concessionns, Parking		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
9	Royalty, Advertisement, Sponsorship		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
10	Endowment/Investment Income		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
11	Other		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
12	Total Program Revenue	593,964	17.07%	561,642	16.00%	(32,322)	-5.44%	553,500	14.56%	(8,142)	-1.45%
13	**Non-Program Revenue:**										
14	NCAA/Bowl/World Series	427,581	12.29%	434,125	12.37%	6,544	1.53%	500,000	13.15%	65,875	15.17%
15	Student Fees	331,329	9.52%	386,450	11.01%	55,121	16.64%	375,000	9.87%	(11,450)	-2.96%
16	Direct State General Funds	783,656	22.53%	758,383	21.61%	(25,273)	-3.23%	840,600	22.11%	82,217	10.84%
17	Gender Equity - General Funds		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
18	Direct Institutional Support	126,500	3.64%	126,500	3.60%	0	0.00%	126,500	3.33%	0	0.00%
19	Subtotal State/Institutional Support	910,156	26.16%	884,883	25.22%	(25,273)	-2.78%	967,100	25.44%	82,217	9.29%
20	Total Non-Program Revenue	1,669,066	47.98%	1,705,458	48.60%	36,392	2.18%	1,842,100	48.46%	136,642	8.01%
21	Subtotal Operating Revenue	2,263,030	65.06%	2,267,100	64.60%	4,070	0.18%	2,395,600	63.02%	128,500	5.67%
22	**Non-Cash Revenue**										
23	Third Party Support	25,550	0.73%	29,250	0.83%	3,700	14.48%	35,400	0.93%	6,150	21.03%
24	Indirect Institutional Support	159,528	4.59%	135,075	3.85%	(24,453)	-15.33%	170,700	4.49%	35,625	26.37%
25	Non-Cash Revenue		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
26	Out-of-State Tuition Revenue	1,030,456	29.62%	1,077,904	30.72%	47,448	4.60%	1,199,600	31.56%	121,696	11.29%
27	Subtotal Non-Cash Revenue	1,215,534	34.94%	1,242,229	35.40%	26,695	2.20%	1,405,700	36.98%	163,471	13.16%
28	**Total Revenue:**	3,478,564	100.00%	3,509,329	100.00%	30,765	0.88%	3,801,300	100.00%	291,971	8.32%
29											
30	**Expenditures**										
31	**Operating Expenditures:**										
32	Athletics Student Aid	478,700	13.69%	456,861	13.49%	(21,839)	-4.56%	445,000	11.75%	(11,861)	-2.60%
33	Guarantees	36,963	1.06%	36,450	1.08%	(513)	-1.39%	48,500	1.28%	12,050	33.06%
34	Coaching Salary/Benefits	410,023	11.72%	397,791	11.75%	(12,232)	-2.98%	533,500	14.09%	135,709	34.12%
35	Admin Staff Salary/Benefits	235,815	6.74%	261,641	7.73%	25,826	10.95%	216,400	5.72%	(45,241)	-17.29%
36	Severence Payments		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Recruiting	41,703	1.19%	24,739	0.73%	(16,964)	-40.68%	40,000	1.06%	15,261	61.69%
38	Team Travel	286,549	8.19%	280,341	8.28%	(6,208)	-2.17%	304,000	8.03%	23,659	8.44%
39	Equipment, Uniforms and Supplies	178,779	5.11%	141,530	4.18%	(37,249)	-20.84%	156,650	4.14%	15,120	10.68%
40	Game Expenses	62,707	1.79%	58,653	1.73%	(4,054)	-6.46%	71,850	1.90%	13,197	22.50%
41	Fund Raising, Marketing, Promotion		0.00%	793	0.02%	793	100.00%	1,500	0.04%	707	89.16%
42	Direct Facilities/Maint/Rentals		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
43	Debt Service on Facilities		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
44	Spirit Groups		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
45	Medical Expenses & Insurance	17,930	0.51%	15,600	0.46%	(2,330)	-12.99%	17,000	0.45%	1,400	8.97%
46	Memberships & Dues		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
47	NCAA/Special Event/Bowls	458,361	13.10%	412,725	12.19%	(45,636)	-9.96%	480,000	12.68%	67,275	16.30%
48	Other Operating Expenses	74,843	2.14%	56,076	1.66%	(18,767)	-25.08%	66,200	1.75%	10,124	18.05%
49	Subtotal Operating Expenditures	2,282,373	65.25%	2,143,200	63.31%	(139,173)	-6.10%	2,380,600	62.87%	237,400	11.08%
50	**Non-Cash Expenditures**										
51	3rd Party Coaches Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
52	3rd Party Admin Staff Compensation		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
53	Indirect Facilities & Admin Support	159,528	4.56%	135,075	3.99%	(24,453)	-15.33%	170,700	4.51%	35,625	26.37%
54	Non-Cash Expense	25,550	0.73%	29,250	0.86%	3,700	14.48%	35,400	0.93%	6,150	21.03%
55	Out-of-State Tuition Expense	1,030,456	29.46%	1,077,904	31.84%	47,448	4.60%	1,199,600	31.68%	121,696	11.29%
56	Subtotal Non-Cash Expenditures	1,215,534	34.75%	1,242,229	36.69%	26,695	2.20%	1,405,700	37.13%	163,471	13.16%
57	**Total Expenditures:**	3,497,907	100.00%	3,385,429	100.00%	(112,478)	-3.22%	3,786,300	100.00%	400,871	11.84%

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
58											
59	**Net Income/(deficit)**	(19,343)		123,900		143,243	-740.54%	15,000		(108,900)	-87.89%
60											
61	**Ending Fund Balance 6/30 (PY Fund Balance plus Line 59)**	95,425		219,325		123,900	129.84%	234,325		15,000	6.84%
62											
63	**Sport Camps & Clinics**										
64	Revenue	56,367		73,093		16,726	29.67%	70,000	1.85%	(3,093)	-4.23%
65	Coach Compensation from Camp	15,500		16,749		1,249	8.06%	20,000	0.53%	3,251	19.41%
66	Camp Expenses	29,922		23,916		(6,006)	-20.07%	40,000	1.06%	16,084	67.25%
67	Total Expenses	45,422		40,665		(4,757)	-10.47%	60,000	1.58%	19,335	47.55%
68											
69	Net Income from Camps	10,945		32,428		21,483	196.28%	10,000		(22,428)	-69.16%

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
						(3-1)	(5/1)			(7-3)	(9/3)
		FY11 Act	%	FY12 Est as of 5/10	%	Variance 12 Est/11 Act	Variance %	FY13 Orig Oper Bdgt	%	Variance 13 Bud/12 Est	Variance %
	Revenue by Program:										
1	**General Revenue:**										
2	Student Fees	331,329	14.64%	386,450	17.05%	55,121	16.64%	375,000	15.65%	(11,450)	-2.96%
3	Contributions	85,450	3.78%	117,630	5.19%	32,180	37.66%	215,000	8.97%	97,370	82.78%
4	Direct State General Funds	783,656	34.63%	758,383	33.45%	(25,273)	-3.23%	840,600	35.09%	82,217	10.84%
5	Gender Equity - General Funds	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
6	Institutional Support	126,500	5.59%	126,500	5.58%	0	0.00%	126,500	5.28%	0	0.00%
7	NCAA/Conference	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
8	TV/Radio/Internet	6,350	0.28%	4,900	0.22%	(1,450)	-22.83%	5,000	0.21%	100	2.04%
9	Concessions/program/etc.	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
10	Advertising/sponsorship/Royalty	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11	Endowments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
12	NCAA/Bowl/World Series	427,581	18.89%	434,125	19.15%	6,544	1.53%	500,000	20.87%	65,875	15.17%
13	Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
14	Total General Revenue	1,760,866	77.81%	1,827,988	80.63%	67,122	3.81%	2,062,100	86.08%	234,112	12.81%
15	**Revenue By Sport:**										
16	**Men's Programs:**										
17	Football										
18	Ticket Sales		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
19	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
20	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
21	Basketball										
22	Ticket Sales	8,162	0.36%	7,923	0.35%	(239)	-2.93%	7,700	0.32%	(223)	-2.81%
23	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
24	Contributions (Fundraising)	76,569	3.38%	55,284	2.44%	(21,285)	-27.80%	35,000	1.46%	(20,284)	-36.69%
24	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
25	Track & Field/Cross Country (Contributions & Fundraising)	24,997	1.10%	26,742	1.18%	1,745	6.98%	25,000	1.04%	(1,742)	-6.51%
26	Tennis (Contributions & Fundraising)	20,326	0.90%	4,772	0.21%	(15,554)	-76.52%	11,000	0.46%	6,228	130.51%
27	Baseball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
28	Ticket Sales	18,550	0.82%	18,006	0.79%	(544)	-2.93%	17,500	0.73%	(506)	-2.81%
29	Contributions (Fundraising)	68,921	3.05%	70,502	3.11%	1,581	2.29%	67,500	2.82%	(3,002)	-4.26%
29	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
30	Golf (Contributions & Fundraising)	15,840	0.70%	18,227	0.80%	2,387	15.07%	10,000	0.42%	(8,227)	-45.14%
31	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
32	Total Men's Sport Revenue	233,365	10.31%	201,456	8.89%	(31,909)	-13.67%	173,700	7.25%	(27,756)	-13.78%
33	**Women's Programs**										
34	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
35	Ticket Sales	2,226	0.10%	2,161	0.10%	(65)	-2.92%	2,100	0.09%	(61)	-2.82%
36	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
37	Contributions (Fundraising)	43,445	1.92%	20,931	0.92%	(22,514)	-51.82%	35,000	1.46%	14,069	67.22%
38	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
39	Basketball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
40	Ticket Sales	8,162	0.36%	7,923	0.35%	(239)	-2.93%	7,700	0.32%	(223)	-2.81%
41	Game Guarantees		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
42	Contributions (Fundraising)	91,420	4.04%	101,152	4.46%	9,732	10.65%	62,000	2.59%	(39,152)	-38.71%
43	Other (Tourn/Bowl/Conf)		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
44	Track & Field/Cross Country (Contributions & Fundraising)	60,457	2.67%	63,445	2.80%	2,988	4.94%	31,000	1.29%	(32,445)	-51.14%
45	Tennis (Contributions & Fundraising)	30,337	1.34%	10,096	0.45%	(20,241)	-66.72%	12,000	0.50%	1,904	18.86%
46	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
47	Golf (Contributions & Fundraising)	32,752	1.45%	31,948	1.41%	(804)	-2.45%	10,000	0.42%	(21,948)	-68.70%
48	Soccer		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
49	Softball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
50	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
51	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
52	Total Women's Sport Rev	268,799	11.88%	237,656	10.48%	(31,143)	-11.59%	159,800	6.67%	(77,856)	-32.76%
53	**Total Revenue**	2,263,030	100.00%	2,267,100	100.00%	4,070	0.18%	2,395,600	100.00%	128,500	5.67%

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		(1) FY11 Act	(2) %	(3) FY12 Est as of 5/10	(4) %	(5) (3-1) Variance 12 Est/11 Act	(6) (5/1) Variance %	(7) FY13 Orig Oper Bdgt	(8) %	(9) (7-3) Variance 13 Bud/12 Est	(10) (9/3) Variance %
54	**Expenditures by Sport**										
55	**Administrative and General**										
56	Athletic Director Office	318,775	13.97%	339,198	15.83%	20,423	6.41%	374,460	15.73%	35,262	10.40%
57	Fund Raising Office	174	0.01%	188	0.01%	14	8.05%	500	0.02%	312	165.96%
58	Academics Support		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
59	Media Relations		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
60	Marketing and Promotions		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
61	Ticket Office		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
62	Athletic Training Room	29,232	1.28%	29,383	1.37%	151	0.52%	42,100	1.77%	12,717	43.28%
63	Memberships and Dues		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
64	Facilities Mtn & Debt Service		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
65	Capital Improvements		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
66	NCAA/Special Event/Bowls	458,361	20.08%	412,725	19.26%	(45,636)	-9.96%	480,000	20.16%	67,275	16.30%
67	Other Miscellaneous		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
68	**Total Admin & General**	806,542	35.34%	781,494	36.46%	(25,048)	-3.11%	897,060	37.68%	115,566	14.79%
69											
70	**Men's Programs:**										
71	Football		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
72	Basketball	268,385	11.76%	221,758	10.35%	(46,627)	-17.37%	221,793	9.32%	35	0.02%
73	Track & Field/Cross Country	59,036	2.59%	58,500	2.73%	(536)	-0.91%	54,605	2.29%	(3,895)	-6.66%
74	Tennis	52,783	2.31%	46,190	2.16%	(6,593)	-12.49%	45,179	1.90%	(1,011)	-2.19%
75	Baseball	391,130	17.14%	361,462	16.87%	(29,668)	-7.59%	461,718	19.40%	100,256	27.74%
76	Wrestling		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
77	Golf	46,833	2.05%	35,975	1.68%	(10,858)	-23.18%	46,455	1.95%	10,480	29.13%
78	Volleyball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
79	Rodeo		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
80	**Total Men's Programs**	818,167	35.85%	723,885	33.78%	(94,282)	-11.52%	829,750	34.85%	105,865	14.62%
81											
82	**Women's Programs**										
83	Volleyball	227,731	9.98%	199,316	9.30%	(28,415)	-12.48%	201,525	8.47%	2,209	1.11%
84	Basketball	229,988	10.08%	249,252	11.63%	19,264	8.38%	253,835	10.66%	4,583	1.84%
85	Track & Field/Cross Country	86,496	3.79%	94,129	4.39%	7,633	8.82%	90,468	3.80%	(3,661)	-3.89%
86	Tennis	60,271	2.64%	48,046	2.24%	(12,225)	-20.28%	47,779	2.01%	(267)	-0.56%
87	Gymnastics		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
88	Golf	53,178	2.33%	47,078	2.20%	(6,100)	-11.47%	60,183	2.53%	13,105	27.84%
89	Soccer		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
90	Softball		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
91	Skiing		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
92	Swimming		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
93	Rodeo/New Sport		0.00%		0.00%	0	0.00%		0.00%	0	0.00%
94	**Total Women's Programs**	657,664	28.81%	637,821	29.76%	(19,843)	-3.02%	653,790	27.46%	15,969	2.50%
95											
96	**Total Expenditures**	2,282,373	100.00%	2,143,200	100.00%	(139,173)	-6.10%	2,380,600	100.00%	237,400	11.08%

SUBJECT

Athletics Board Policy III.T. and V.X. – first reading

REFERENCE

April 2012	Board approved athletics limits for fiscal year 2013

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.T.

BACKGROUND/DISCUSSION

The Athletics and Audit Committee have reviewed issues related to gender equity plans and funding at the institutions. One outcome was the need to clarify Board policy as it relates to definitions of funding sources, funds limits and gender equity.

A brief history of Board minutes regarding athletics limits is provided in Attachment 2, page 5.

Board policy limits the amount of “general education” and “institutional” funds that can be spent on athletics. Historically, the Board has stressed the need for the athletics programs to operate on program revenues but allowed some assistance from state and institutional resources.

General education funds consist of state General Funds, endowment funds, and appropriated student fees (see Attachment 1, List of Fees). Institutional funds consist of revenues outside the athletics program and include, for example, auxiliaries, investment income, interest income, vending, indirect cost recovery funds on federal grants and contracts, and administrative fees charged to revenue-generating accounts across campus.

The general education limit has been adjusted annually at the same rate of change as the general education funds, but a plain reading of Board policy defines general education funds as the “state general account” (i.e. General Fund). This practice has allowed the general education limit to benefit from the annual increase in tuition and fees instead of being indexed to the state General Fund. Board policy needs to clearly define the fund sources which make up the athletic limit. The limits may also be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans. Gender equity is an undefined term in policy and it is not clear how exactly gender equity funds above the limits are to be used.

Historically the Board has not formally approved the limits, but those limits have been included in the athletics budgets accepted by the Board every June. At the April 2012 meeting, the Board approved the FY 2013 athletics limits for General Funds and gender equity funds as listed in Attachment 3 lines 28-31 and the FY 2013 athletics limits for institutional funds as listed in Attachment 3 lines 14-21.

IMPACT

The changes to the athletics policy, as shown in Attachment 4 starting on page 7, include the following changes:

1. Defines fund sources for athletics;
2. Splits the limit on State general funds into a limit for athletics and a limit for compliance with Title IX gender equity requirements;
3. Ties the change in the General Fund limits to the change in the General Fund appropriation;
4. Codifies the FY 2013 limits approved by the Board;
5. Requires all limits be approved by the Board annually;
6. Allows the institutions to increase the student athletics fee at a rate up to the rate of increase to the total student activity fee;
7. Affirms the Board's intent that increases in program revenues should be maximized before seeking increases to the limits;
8. Defines gender equity as compliance with Title IX regulations;
9. Requires each institution to prepare a gender equity report which will show the status of the institution's compliance with Title IX; and
10. Removes the requirement for inclusion of athletic fee waivers because the waivers are reported separately to the Board office.

ATTACHMENTS

STAFF COMMENTS AND RECOMMENDATIONS

This proposal is to move paragraphs 1-4 of Section III.T. to a new Section V.X. related to policies on athletic revenues, expenses and financial reporting. The redline in V.X. only reflects changes from the current policy as contained in III.T. Only Section III.T.5, Student Athletes-Conduct, would remain in Section III.

The proposed policy revisions in V.X. (Attachment 4) clarify "sources of funds" and "gender equity" as defined terms, requires an annual gender equity report, and requires Board approval of all annual limits on athletics expenditures. Staff recommends using the General Fund appropriation for purpose of calculating the limit on State General Funds. For purpose of computing the limit on Institutional Funds, the policy would use the rate of change of total Appropriated Funds as the calculator.

These changes will provide the Board, institutions, and staff a more precise understanding of the source of athletics revenues, greater oversight by the Board, and a method to show how the institutions are addressing compliance with Title IX.

Staff recommends approval.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board Policy moving Section III.T., paragraphs 1-4, Intercollegiate Athletics to Section V.X., Intercollegiate Athletics, and renumber Section III.T.5., Student Athletes – Conduct, as Section III.T.1. with all revisions as presented.

Moved by_____________ Seconded by_____________ Carried Yes____ No____

Attachment 1

List of Fees

Appropriated Student Fees

Professional-Technical Fee

General Education fee (Tuition)

Part-time credit hour fee

Nonresident tuition

Western Undergraduate Exchange

Graduate fee

In-service teacher education fee

Employee/spouse fee

Senior citizen fee

WICHE fee

Summer school fee

Workforce training credit fee

Course overload fee

Non-appropriated Fees

Facility fee

Activity fee (including Athletics fee)

Technology fee

Professional fee

Self-support fee

Student health insurance premiums

Room and Board rates

Continuing education fee

Special course fees

Brief history of Board minutes related to athletics limits **Attachment 2**

At its March 1983 meeting, the Board approved the athletics policy which limited state appropriated funds base for athletics to $605,000 for FY 1984 at BSU, ISU and UI and $225,000 at LCSC. In subsequent fiscal years, general account funding for athletics would grow at a rate not to exceed the rate of growth in general account funding of the budget for college and universities. The minutes do not indicate how these amounts were determined. Staff reviewed the minutes back through 1980 and did not find any further discussion of the athletic budgets or limits. The 1983 policy included a requirement that the resulting system-wide allocation of funds for athletics be equal for BSU, ISU and UI and LCSC would be allotted the same pro rata share of those funds as it had devoted to its athletic programs in FY 1982.

At its April 1986 meeting, the Board increased the limits for general account funding by 10% to $665,500 for BSU, ISU and UI and $247,500 for LCSC.

The next policy revision is dated April 1994, however staff could not locate either the first or second reading in the minutes between April 1986 and December 1995. The minutes of the January 2004 meeting quote the policy to limit the increase to the "rate of change in the general education funds allocated by the Board." Therefore, between April 1986 and January 2004, the term used to limit the escalation for general funds used in athletics funding changed from "general account" to "general education" funds. This is significant because "general account" refers to the general funds only while "general education" refers to all appropriated funds including general funds, endowment and appropriated student fees. Current Board policy parenthetically states the General Education Funds are State General Account funds. This part of policy needs to be clarified.

The June 1999 minutes show the Finance Committee was reviewing the athletics budgets at the four institutions, with particular interest on understanding the sources of revenues used to fund the programs. The Committee wanted to place limits on the amount of revenue that could be generated from selected sources and asked the President's Council to recommend a policy on limiting revenue sources.

In September 1999 the Board had an in-depth discussion on athletics limits. Dr. Dillon said the Board was not trying to control the growth of athletic programs as there may be issues such as gender equity that would necessitate it. What the Board was trying to control is the spiraling and escalating costs of athletic programs. Mr. Hammond said he shared the concern regarding funds which should be going to education being transferred to balance athletic budgets.

Mr. Eaton said a proposal would be put together for the October Board meeting which would include, among other things, institutional reallocation of student fees for athletics.

In October it was reported that on Page 7.5.b. there was an error: Institutional funds for LCSC shall not exceed $100,000 instead of the $25,000 indicated. He also said one of the reasons for the policy is to address deficits in the athletic programs such as the LCSC $182,000 deficit.

So, it appears that for the Institutional Funds limits that those were put in place to control the escalating costs of athletics.

State Board of Education

Intercollegiate Athletics Support Limits

Attachment 3

Calculation of Limits:	FY06	FY07	FY08	FY09	FY10	FY11	FY12	JFAC Action FY13
Appropriated Funds:								
Appropriation Allocation:								
General Funds	233,182,000	243,726,400	259,296,600	276,181,100	243,278,100	217,510,800	208,237,100	227,950,500
Endowment	9,519,600	7,624,800	7,851,500	8,595,000	9,616,400	9,616,400	9,616,600	9,927,400
Student Fee Revenue	107,907,800	119,823,900	124,329,300	127,108,700	133,651,800	146,341,600	177,262,700	202,268,900
Total Appropriated Funds	350,609,400	371,175,100	391,477,400	411,884,800	386,546,300	373,468,800	395,116,400	440,146,800
% Growth: Appropriated Funds	6.05%	5.87%	5.47%	5.21%	-6.15%	-3.38%	5.80%	11.40%
% Growth: General Funds	4.39%	4.52%	6.39%	6.51%	-11.91%	-10.59%	-4.26%	9.47%
% Growth: Student Fees		11.04%	3.76%	2.24%	5.15%	9.49%	21.13%	14.11%
Institutional Funds:								
Limits:								
Boise State University	325,400	344,500	363,300	382,200	358,700	346,600	346,600	386,100
% Growth from Prior Year	6.06%	5.87%	5.46%	5.20%	-6.15%	-3.37%	0.00%	11.40%
Idaho State University	455,400	482,100	508,500	535,000	502,100	485,100	485,100	540,400
% Growth from Prior Year	6.05%	5.86%	5.48%	5.21%	-6.15%	-3.39%	0.00%	11.40%
University of Idaho	650,600	688,800	726,500	764,400	717,400	693,100	693,100	772,100
% Growth from Prior Year	6.05%	5.87%	5.47%	5.22%	-6.15%	-3.39%	0.00%	11.40%
Lewis-Clark State College	130,100	137,700	145,200	152,800	143,400	138,500	138,500	154,300
% Growth from Prior Year	6.03%	5.84%	5.45%	5.23%	-6.15%	-3.42%	0.00%	11.41%

			(a x 9.47%)	**(b x 9.47%)**	**(a + d)**	**(b + e)**
	(a)	**(b)**	**(d)**	**(e)**	**(f)**	**(g)**
General Fund Limit Detail	**FY 2012 General Account Limits**		**FY 2013 General Account Limits**			
See Note A	**FY12 G.F.**	**FY12 G.E.**	**G.F. Increase**	**G.E. Increase**	**FY13 G.F.**	**FY13 G.E.**
Boise State University	2,214,700	976,872	209,700	92,500	2,424,400	1,069,372
Idaho State University	2,214,700	646,500	209,700	61,200	2,424,400	707,700
University of Idaho	2,214,700	846,560	209,700	80,100	2,424,400	926,660
Lewis-Clark State College	823,400	0	77,900	0	901,300	0
Total	7,467,500	2,469,932	707,000	233,800	8,174,500	2,703,732

Note A: FY 2012 General Funds Limit includes frozen FY 2012 General Funds limit and limit for gender equity. The FY 2013 General Funds limit applie
the rate of growth for the state General Funds of 9.47% to both the FY 2012 General Fund and Gender Equity limits.

1. Philosophy

The Board reaffirms the role of intercollegiate athletics as a legitimate and significant component of institutional activity. The responsibility for and control of institutional activities in this area rest with the Board.

In the area of intercollegiate athletics, the Board seeks to establish programs which:

a. provide opportunities for student athletes to attend college and participate in athletic programs while pursuing and completing academic degrees;

b. reflect accurately the priorities and academic character of its institutions;

c. fuel school spirit and community involvement; ~~and~~

d. serve the needs of the institutions as they seek, through their athletic programs, to establish fruitful and sustaining relationships with their constituencies throughout the state and nation~~.~~; and

~~d.~~e. actively and strategically progress toward compliance with Title IX of the Higher Education Amendments Act of 1972.

Given these goals, the Board has a continuing concern and interest in the academic success of student athletes, the scope and level of competition, and the cost of athletic programs administered by its institutions. Consequently, the Board will, from time to time in the context of this policy statement, promulgate, as necessary, ~~regulations~~ policies governing the conduct of athletic programs at its institutions.

2. Policies

The day-to-day conduct of athletic programs is vested in the institutions and in their chief executive officers. Decision making at the institutional level must be consistent with the policies established by the Board and by those national organizations and conferences with which the institutions are associated. In the event that conflicts arise among the policies of these governance groups, it is the responsibility of the institution's chief executive officer to notify the Board in a timely manner. Likewise, any knowledge of NCAA or conference rule infractions involving an institution should be communicated by the athletic department to the chief executive officer of the institution.

The Board recognizes that the financing of intercollegiate athletics, while controlled at the institutional level, is ultimately the responsibility of the Board itself. In assuming that responsibility, the sources of funds ~~used by~~ for intercollegiate athletics shall be defined in the following categories:

a. State General ~~Education~~ Funds – ~~includes the funds that are appropriated to the institutions (state general account)~~ means state General Funds (as defined in section 67-1205, Idaho Code) appropriated to the institutions.

~~b. Institutional Funds – includes any funds generated by the institution outside the athletic programs.~~

~~c.~~b. Student Fee Revenue – ~~includes~~ means revenue generated from the full-time and part-time student activity fee that is dedicated to the intercollegiate athletics program pursuant to policy V.R.3.b.ii.

c. Program Funds – ~~includes~~ means revenue generated directly related to the athletic programs, including but not limited to ticket sales/event revenue, tournament/bowl/conference receipts, media/broadcast receipts, concessions/parking/advertisement, game guarantees and foundation/booster donations.

d. Institutional Funds – means any funds generated by the institution outside the funds listed in a., b. and c. above. Institutional Funds do not include tuition and fee revenue collected under policy V.R.3. Examples of Institutional Funds include, but are not limited to, auxiliaries, investment income, interest income, vending, indirect cost recovery funds on federal grants and contracts, and administrative overhead charged to revenue-generating accounts across campus.

3. Funds allocated and used by athletics ~~program~~ from the above sources are limited as follows:

a. State General ~~education~~ ~~F~~funds – ~~shall not exceed $665,500 for the universities and $247,500 for Lewis-Clark State College for Fiscal Year 1987. In subsequent years, the limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans.~~

1) The limit for State General Funds shall be allocated in two categories: General Funds used for athletics and General Funds used to comply with Title IX.

2) The Board set the following FY 2013 General Fund limits:

a) General Funds for Athletics:

i) Universities	$2,424,400
ii) Lewis-Clark State College	$ 901,300

b) General Funds for Gender Equity:

i) Boise State University	$1,069,372
ii) Idaho State University	$ 707,700
iii) University of Idaho	$ 926,660
iv) Lewis-Clark State College	$ 0

~~1)~~3) The methodology for computing the limits for both categories of State General Funds shall be to calculate the rate of change for the next fiscal year ongoing State General Funds compared to the ongoing State General Funds in the current fiscal year, and then apply the rate of change to both limits approved by the Board in the previous year. Such limits shall be approved annually by the Board.

b. Institutional funds – ~~shall not exceed $250,000 for Boise State University; $350,000 for Idaho State University; $500,000 for University of Idaho; and $100,000 for Lewis-Clark State College for fiscal year 2000. In subsequent years, these limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board.~~

1) The Board set the following FY 2013 limits:

a) Boise State University	$ 386,100
b) Idaho State University	$ 540,400
c) University of Idaho	$ 772,100
d) Lewis-Clark State College	$ 154,300

2) The methodology for computing the limits for Institutional Funds shall be to calculate the rate of change for the next fiscal year ongoing Appropriated Funds compared to the ongoing Appropriated Funds in the current fiscal year, and then apply the rate of change to the limit approved by the Board in the previous year. Such limits shall be approved annually by the Board. For purposes of this paragraph, "Appropriated Funds" means all funds appropriated by the Legislature to the institutions, including but not limited to, State General Funds, endowment funds, and appropriated tuition and student fees.

~~3)~~c. Student Activity F~~f~~ee R~~r~~evenue – shall not exceed revenue generated from student activity fee dedicated for the athletic program. Institutions may i~~I~~ncrease~~s~~ ~~to~~ the student fee for the athletic program ~~shall be~~ at ~~the same~~ a rate not more than the rate of ~~increase as~~change of the total student activity fees.

~~4)~~d. Program funds – the institutions can use the program funds generated, without restriction.

The president of each institution is accountable for balancing the budget of the athletic department on an annual basis. In accounting for the athletic programs, a fund balance for the total athletic program must be maintained. In the event that revenue within a fiscal year exceeds expenses, the surplus would increase the fund balance and would be available for future fiscal years. In the event that expenses within a fiscal year exceeds revenue, the deficit would reduce the fund balance. If the fund balance becomes negative, the institutions ~~must~~ shall submit a plan ~~to the~~for Board approval that eliminates the deficit within two fiscal years. Reduction in program expenditures and/or increase revenue (program funds only) can be used in an institutional plan to eliminate a negative fund balance. If substantial changes in the budget occur during the year resulting in a deficit for that year, the president shall advise the Board of the situation at the earliest opportunity.

Donations to athletics at an institution must be made and reported according to policy V.E. The amount of booster money donated to and used by the athletic department shall be budgeted in the athletic department budget.

It is the intent of the Board that increases in program revenues should be maximized before increases to the athletic limits under paragraph 3 will be considered.

4. Gender Equity
   a. Gender equity means compliance with Title IX of the Higher Education Amendments Act of 1972 which prohibits discrimination on the basis of gender in any education program or activity receiving federal financial assistance, including athletics. Congress delegated authority to promulgate regulations (34 C.F.R. §106.41) for determining whether an athletics program complies with Title IX. The U.S. Department of Education, through its Office of Civil Rights (OCR) is responsible for enforcing Title IX.

   b. Title IX measures gender equity in athletics in three distinct areas: participation, scholarships, and equivalence in other athletics benefits and opportunities.

   c. The chief executive officer of each institution shall prepare a gender equity report for review and formal approval by the Board in a format and time to be determined by the Executive Director. The gender equity report will show the status of an institution's compliance with Title IX. The gender equity report will show the changes to the athletics programs necessary to comply with Title IX over time.

~~4~~5. Financial Reporting.

The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The athletic reports shall contain revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The ~~number and amounts of nonresident tuition waivers and the~~ fund balances as of June 30 ~~of the report year should~~ shall be included in the report. The general format of the report will be consistent with the format ~~used in recent years~~established by the Executive Director. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The institutions will submit the following reports to the Board:

a. ~~At the June Board meeting, t~~The institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format ~~prescribed by the Board office~~and time to be determined by the Executive Director.

(1) Actual revenues and expenditures for the fiscal year most recently completed.

(2) Estimated revenues and expenditures for the current fiscal year.

(3) Proposed operating budget for the next budget year beginning July 1.

b. ~~At the February Board meeting, t~~The following fiscal year's financial information will be reported by each institution in a format and time to be determined by the Executive Director:

(1) Actual revenues and expenditures for the prior four (4) fiscal years

(2) Estimated revenues and expenditures for the current fiscal year.

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~~1. Philosophy~~

~~The Board reaffirms the role of intercollegiate athletics as a legitimate and significant component of institutional activity. The responsibility for and control of institutional activities in this area rest with the Board.~~

~~In the area of intercollegiate athletics, the Board seeks to establish programs which:~~

~~a. provide opportunities for student athletes to attend college and participate in athletic programs while pursuing and completing academic degrees;~~

~~b. reflect accurately the priorities and academic character of its institutions;~~

~~c. fuel school spirit and community involvement; and~~

~~d. serve the needs of the institutions as they seek, through their athletic programs, to establish fruitful and sustaining relationships with their constituencies throughout the state and nation.~~

~~Given these goals, the Board has a continuing concern and interest in the academic success of student athletes, the scope and level of competition, and the cost of athletic programs administered by its institutions. Consequently, the Board will, from time to time in the context of this policy statement, promulgate, as necessary, regulations governing the conduct of athletic programs at its institutions.~~

~~2. Policies~~

~~The day-to-day conduct of athletic programs is vested in the institutions and in their chief executive officers. Decision making at the institutional level must be consistent with the policies established by the Board and by those national organizations and conferences with which the institutions are associated. In the event that conflicts arise among the policies of these governance groups, it is the responsibility of the institution's chief executive officer to notify the Board in a timely manner. Likewise, any knowledge of NCAA or conference rule infractions involving an institution should be communicated by the athletic department to the chief executive officer of the institution.~~

~~The Board recognizes that the financing of intercollegiate athletics, while controlled at the institutional level, is ultimately the responsibility of the Board itself. In assuming that responsibility, the sources of funds used by intercollegiate athletics shall be defined in the following categories:~~

~~a. General Education Funds – includes the funds that are appropriated to the institutions (state general account).~~

~~b. Institutional Funds – includes any funds generated by the institution outside the athletic programs.~~

c. ~~Student Fee Revenue – includes revenue generated from the full-time and part-time student activity fee that is dedicated to the intercollegiate athletics program.~~

d. ~~Program Funds – includes revenue generated directly related to the athletic programs, including but not limited to ticket sales/event revenue, tournament/bowl/conference receipts, media/broadcast receipts, concessions/parking/advertisement, game guarantees and foundation/booster donations.~~

3. ~~Funds allocated and used by athletic program from the above sources are limited as follows:~~

   a. ~~General education funds – shall not exceed $665,500 for the universities and $247,500 for Lewis-Clark State College for Fiscal Year 1987. In subsequent years, the limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans.~~

   b. ~~Institutional funds – shall not exceed $250,000 for Boise State University; $350,000 for Idaho State University; $500,000 for University of Idaho; and $100,000 for Lewis-Clark State College for fiscal year 2000. In subsequent years, these limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board.~~

   c. ~~Student fee revenue – shall not exceed revenue generated from student activity fee dedicated for the athletic program. Increases to the student fee for the athletic program shall be at the same rate of increase as the total student activity fees.~~

   d. ~~Program funds – the institutions can use the program funds generated, without restriction.~~

   ~~The president of each institution is accountable for balancing the budget of the athletic department on an annual basis. In accounting for the athletic programs, a fund balance for the total athletic program must be maintained. In the event that revenue within a fiscal year exceeds expenses, the surplus would increase the fund balance and would be available for future fiscal years. In the event that expenses within a fiscal year exceeds revenue, the deficit would reduce the fund balance. If the fund balance becomes negative, the institutions must submit a plan to the Board that eliminates the deficit within two fiscal years. Reduction in program expenditures and/or increase revenue (program funds only) can be used in an institutional plan to eliminate a negative fund balance. If substantial changes in the budget occur during the year resulting in a deficit for that year, the president shall advise the Board of the situation at the earliest opportunity.~~

~~Donation to athletics at an institution must be made and reported according to policy. The amount of booster money donated to and used by the athletic department shall be budgeted in the athletic department budget.~~

~~4. Financial Reporting.~~

~~The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The athletic reports shall contain revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The number and amounts of nonresident tuition waivers and the fund balances as of June 30 of the report year should be included in the report. The general format of the report will be consistent with the format used in recent years. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The institutions will submit the following reports to the Board:~~

~~a. At the June Board meeting, the institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office.~~

~~(1) Actual revenues and expenditures for the fiscal year most recently completed.~~

~~(2) Estimated revenues and expenditures for the current fiscal year.~~

~~(3) Proposed operating budget for the next budget year beginning July 1.~~

~~b. At the February Board meeting, the following fiscal year's financial information will be reported by each institution:~~

~~(1) Actual revenues and expenditures for the prior four (4) fiscal years~~

~~(2) Estimated revenues and expenditures for the current fiscal year.~~

~~5~~1. Student Athletes - Conduct

a. Each public college and university shall have a written policy governing the conduct of student athletes. At a minimum, those policies shall include:

~~(1)~~i. A disclosure statement completed and signed by the student athlete prior to participation in any intercollegiate athletic endeavor, which shall include a description of (1) all prior criminal convictions, (2) all prior juvenile dispositions wherein the student was found to have committed an act that would constitute a misdemeanor or felony if committed by an adult, and (3) all pending criminal charges, including juvenile proceedings alleging any act which would constitute a misdemeanor or felony if committed by an adult.

~~(2)~~ ii. This statement will be kept in the office of the athletic director. Failure to accurately disclose all incidents may result in immediate suspension from the team.

b. Institutions shall not knowingly recruit any person as a player for an intercollegiate athletic team who has been convicted of a felony or, in the case of a juvenile, who has been found to have committed an act which would constitute a felony if committed by an adult. Exemptions to this restriction shall be granted only by the President of the college or university upon recommendation of the athletic director and faculty athletics representative. Such decisions shall be reported in writing to the Executive Director of the State Board of Education at the time the exception is granted.

c. A student athlete convicted of a felony after enrollment, including a plea of nolo contendere on a felony charge, shall be removed from the team and shall not be allowed to participate again in intercollegiate athletics at any Idaho public college or university. Further, an institution may cancel any athletic financial aid received by a student who is convicted of a felony while the student is receiving athletic financial aid subject to NCAA regulations and the institution's applicable student judicial procedure. Nothing herein shall be construed to limit an institution from exercising disciplinary actions or from implementing student athletic policies or rules that go beyond the minimum requirements stated herein.

d. Subject to applicable law, all institutions shall implement a drug education and testing program and shall require all intercollegiate student athletes to give written consent to drug testing as a condition of the privilege of participating in intercollegiate athletics.

e. Institutions shall require their athletic coaches to hold an annual team meeting with their respective teams at the beginning of each season. The coaches shall be required to verbally review the team rules with team members at the meeting. Attendance at this meeting shall be mandatory. Each team member shall receive a written copy of the team rules and sign a statement acknowledging receipt of the rules and attendance at the meeting where the rules were verbally reviewed.

f. Reporting Requirements

~~(1)~~i. Student athletes shall immediately report any criminal charges to their head coach and to the athletic director. Coaches shall be obligated to inform the athletic director of any knowledge of charges against their athletes. The athletic director shall report the same to the chief student affairs officer and to the institutional president, who shall report the same in writing to the Executive Director of the State Board of Education as soon as possible, but not later than 10 working days after learning of the charges. The report to the Executive Director shall include a description of the alleged violation of law and the institution's proposed action, if any.

~~(2)~~ii. Coaches shall immediately report the conviction of any student athlete to the athletic director and the institutional president, who shall report the conviction in writing to the Executive Director of the State Board of Education as soon as possible, but not later than 10 working days after the conviction. This report shall include a description of the violation of law and the institution's proposed action, if any.

~~g. Review Clause~~

~~This policy shall be reviewed by the Board one year from the time that it goes into effect (effective date - November 16, 1995).~~

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SUBJECT

Institution Intellectual Property Policies

REFERENCE

October 2010	Board approved First Reading of Board Policy V.M. Intellectual Property
December 2010	Board approved Second Reading of Board Policy V.M. Intellectual Property

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

The Board's intellectual property policy together with the institutions' own technology transfer policies establishes the legal basis for the institutions to claim, disclaim, transfer, or convey intellectual property.

In 2010 Board staff worked extensively with the institutions and stakeholder groups to revised State Board of Education Governing Policies & Procedures, Section V.M. Intellectual Property. The Intellectual Property policy is a guiding principle for the institutions. In addition, the policy requires institutions to develop their own internal policies on technology transfer for Board review and approval. The amendments to Board policy V.M. in 2010 were designed to specific address the concerns by industry that the previous Board policy was vague regarding the Board's versus an institution's claim of ownership and an institutions authority in transferring, conveying, or disclaiming those ownership rights.

IMPACT

Approval of the submitted policies will bring the institutions into compliance with Board Policy V.M. Intellectual Property.

ATTACHMENTS

Attachment 1 – University of Idaho Intellectual Property Policy	Page 5
Attachment 2 – Boise State University Intellectual Property Policy	Page 12
Attachment 3 – Idaho State University Intellectual Property Policy	Page 23

STAFF COMMENTS AND RECOMMENDATIONS

Board Policy V.M. requires the institutions to establish policies setting out technology transfer administration, including evaluating, financing, assignment, marketing, protection, and the division and use of royalties. Institutional policies must provide for institutional ownership in circumstances including, but not limited to the following:

1. In cases of specific contracts providing for institutional ownership,

2. In cases where the constituent institution or sponsor may employ personnel for the purpose of producing a specific work,
3. Where institutional ownership is deemed necessary in order to reflect the contribution of the institution to the work, or
4. Where a sponsored agreement requires institutional ownership.

Further, each institution's technology transfer policy must at a minimum include:

1. The name of the institutional position (or office) with the authority and responsibility for carrying out the policy and binding the institution contractually.
2. Policy and plans for patent acquisition (i.e., who initiates, who pays for the lawyers, and an enumeration of the duties, responsibilities, and a process for settling debates).
3. The range of allowable institutional involvement in the transfer process (i.e., from licensing to acceptance of institutional ownership interests, continued development in institutional facilities for the benefit of the licensee, business planning or production assistance).

Boise State University and Idaho State University's Intellectual Property policies are closely patterned after the University of Idaho's Intellectual Property policy. The University of Idaho's Intellectual Property policy has been in place since prior to the December 2010 adoption of policy V.M. The policy was revised in 2008 to establish the Office of Technology Transfer at the University of Idaho. While the policies touch on all of the required elements within the Board policy they do not add clarity to the intellectual property transfer process, specifically in regards to working with private industry partners, which was one of the main purposes behind the amendment of the Board policy in 2010. Additionally, there was a request from private industry in 2010 that there be a single statewide contract or process for industry to use when working with the three research institutions facilities and expertise.

The Laboratory for Applied Science and Research (LASR) allows the University of Idaho and private sector scientists and staff to work collaboratively, addressing the scientific challenges identified as industry priorities. LASR is a not-for-profit corporation (501(c)(3), established as a separate legal entity for the purpose of supporting research outreach of the University of Idaho. Wisconsin has taken this concept and expanded it to a system wide level. In 2000 the University of Wisconsin (UW) and the Wisconsin Higher Education system formed the WiSys Technology foundation. The Foundation is a wholly owned subsidiary of the Wisconsin Alumni Research Foundation (WARF). WiSys is formed as a Wisconsin non-profit corporation and is operated exclusively for charitable, scientific and education purpose under section 501(c)(3) of the Internal Revenue code. WiSys works hand in hand with the University of Wisconsin System to support research and technology development, link campus innovators with industry leaders and speed technology transfer through patent and licensing activities.

Staff recommends the Board direct the institutions to collaboratively work at determining the feasibility of a system wide model similar to that used in Wisconsin for research and technology development and to report back to the Board at the December 2012 Board meeting.

BOARD ACTION

I move to approve the Intellectual Property policies of the University of Idaho, Boise State University and Idaho State University as submitted and to direct the institutions to collaboratively determine the feasibility of a system wide research and technology transfer organization similar to the WiSys model.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

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ATTACHMENT 1

UNIVERSITY OF IDAHO

5300

COPYRIGHTS, PROTECTABLE DISCOVERIES AND OTHER INTELLECTUAL PROPERTY RIGHTS

PREAMBLE: This section outlines UI policy concerning copyrights, as they arise from university research. Particularly this section discusses the assignment of ownership to such copyrights. This section was part of the 1979 Handbook but was revised in a significant way 1) in July of 1992 to reflect changes in applicable federal law, 2) in January of 1995 by the addition of subsection C-5 to reflect the change in the Regents' intellectual property and conflict of interest rule (former IDAPA 08.01.09.101.03c), and 3) in 2007 to update terminology and add clarity to the rights and obligations of the University and of its employees and students in dealing with intellectual property, and in 2008 edited to reflect the restructuring of technology transfer functions from Idaho Research Foundation to the Office of Technology Transfer. In 2009 revisions were made to B-2 to comply with federal law. Unless otherwise noted, the text is as of July 1996. For more information, contact the Research Office (208-885-6651). [ed. 7-98, rev. 2-07, 4-08, 7-09]

CONTENTS:

A. INTRODUCTION. The UI encourages the creation of scholarly works as an integral part of its mission. UI participation in the development, marketing, and dissemination of educational materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. The UI recognizes its obligation to transfer technology and useful discoveries to society. With respect to all types of intellectual property, the rights and obligations of UI, its employees and students and other third parties shall be governed by this policy. To the extent permitted by this policy, individuals may enter into contracts with UI to address intellectual property, in which case the contract terms shall control, provided that the contract was entered into in a manner consistent with this policy.

A-1. DEFINITIONS. For purposes of this Section 5300 and Section 5400, the following terms shall have the following meanings:

a. “electronic” shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

b. “written” or “in writing” shall include information created, generated, sent, communicated, received, or stored by electronic means, including without limitation email, telecopy, and facsimile transmissions.

c. “natural person or persons” means natural person or persons involved in the creation or development of intellectual property.

B. COPYRIGHTS. UI participation in the development of copyrightable works raises questions concerning the ownership and use of materials in which UI has become an active and intentional partner through substantial investment of resources. This policy is established to clarify the rights of the natural person or persons and the UI regarding ownership and use of copyrightable materials in the absence of a valid written agreement between the natural person or persons and UI. The UI acknowledges the right of faculty and staff members and students to prepare and publish materials that are copyrightable in the name of the natural person or persons and that may generate royalty income for the natural person or persons. (In this policy, “the natural person or persons” is to be construed broadly as including producers of creative works in the arts and sciences and creators of literary or scholarly writing.)

B-1. Coverage. The types of materials to which this policy applies include:

a. Study guides, tests, syllabi, bibliographies, texts, books, and articles.

b. Films, filmstrips, photographs, slides, charts, transparencies, illustrations, and other visual aids.

c. Programmed instructional materials.

d. Audio and video recordings.

e. Simultaneously recorded live audio and video broadcasts.

f. Dramatic, choreographic, and musical compositions.

g. Pictorial, graphic, and sculptural works.

h. Computer software, including computer programs, procedural design documents, program documents, and databases as defined below: *[ed. 7-00]*

(1) “Computer program” means a set of instructions that direct a computer to perform a sequence of tasks.

(2) “Procedural design document” refers to material that describes the procedural steps involved in the creation of a computer program.

(3) “Program document” refers to material created for the purpose of aiding the use, maintenance, or other interaction with a computer program.

(4) “Data base” means a collection of data elements grouped together in an accessible format.

i. Other copyrightable materials, including materials generated in the production of any of the above works.

B-2. Assignment of Ownership. Faculty, staff members, and students retain all rights in the copyrightable materials they create except in the cases of “UI-Sponsored Materials” as defined in Subsection B-2-b below, materials subject to grant of a non-exclusive license to UI for public access as described in Subsection B-2-c below, materials covered by a Grant or Contract as discussed in Subsection E below, and materials covered by a valid written agreement between the natural person or persons and the UI as discussed in Subsection B-5 below. Faculty members, staff members, and students shall co-operate with reasonable requests from UI for the creation of any documents and records needed to vest and memorialize UI’s rights, if any. *[rev. 7-09]*

a. Retention of Rights. Except as otherwise provided in Subsection B-2-b and B-2-c, the natural person or persons retain the rights to: (1) copyrightable works produced while on sabbatical leave; (2) study guides and similar materials; and (3) works prepared as part of the general obligation to produce scholarly or other creative works of the natural person or persons, such as, but not limited to articles, books, musical compositions, and works of art.

b. UI-Sponsored Materials. Materials are "UI-Sponsored Materials" within the meaning of this policy if the natural person or persons: (1) was commissioned specifically in writing by UI or one of its distinct units to develop the material as part of his or her employment duties and the writing states that the resulting works would be considered "UI Sponsored"; (2) received extra pay from UI to prepare the specific materials pursuant to a valid written agreement providing that the extra pay is consideration for the preparation of the specific materials; (3) received release time from regular duties to produce the specific materials; or (4) made "substantial use" of UI resources in the creation or development of the specific materials, provided however that the use of UI resources regularly and customarily available to him/her as part of his/her regular employment or as part of his/her regular academic enterprise, shall not be considered "substantial use" of UI resources.

c. University Non-exclusive License for Public Access. In order to permit UI to comply with public access mandates established by federal law or federal agency or university policy (e.g. the National Institutes of Health Public Access Policy, Division G, Title II, Section 218 of PL 110-161 [Consolidated Appropriations Act, 2008]) and related terms and conditions of research agreements, faculty, staff, and students accepting research grants or contracts from, and conducting research from United States federal agencies shall grant UI an irrevocable, non-exclusive, non-transferable, non-commercial, royalty-free license in copyrightable materials produced as a result of such research, such license to be used solely to comply with public access mandates. This grant of non-exclusive license is deemed by UI to be a special arrangement for federal grants and contracts, per Subsection E below, and is not subject to the disposition of rights described in B-2-b or to negotiation under Section B-5 below. *[add. 7-09]*

B-3. Registration of Copyrightable Materials. Absent a valid written agreement otherwise, UI Sponsored Materials are to be registered in the name of the Regents of the University of Idaho or its' assignee. UI or its designee has the right to file registrations of UI Sponsored copyrightable works.

B-4. Royalties and Income.

a. Out of the gross receipts from royalties and other income from sale or rental of UI Sponsored Materials, the UI, college, department, other unit, or UI's designated agent may recover reasonable expenses that it incurred in the development, marketing, or dissemination of the materials.

b. Absent a valid written agreement to the contrary, the net proceeds are distributed as follows: 40 percent to the natural person or persons, 40 percent to UI or its designated agent, and 20 percent to the 'college or service unit of the natural person or persons. At least half of the share allocated to the college or other unit is given to the department of the natural person or persons for use in furtherance of its goals.

c. UI retains a right to royalty-free internal use of any materials designated UI Sponsored under this policy.

B-5. Written Agreements.

a. The provost represents UI in negotiating agreements with the natural person or persons pursuant to this policy. The natural person or persons of copyrightable material may negotiate with the provost and arrive at a mutually agreeable contract. The provost consults with the dean or departmental administrator of the department of the natural person or persons in drafting these agreements. (For purposes of this policy, “dean” includes persons with equivalent administrative capacities.)

b. Valid written agreements concerning copyright ownership, use of copyrighted materials, and distribution of royalties and income from copyrightable works which are entered into by one or more natural person or persons and the provost supersede the provisions of this Section 5300. ’ To be valid, such agreements must (1) comply with the terms of any relevant Grants or Contracts as discussed in Subsection E below, (2) comply with the policies of the UI Board of Regents, and (3) comply with Idaho state and federal law. *(rev. 4-08)*

B-6. Use of UI-Sponsored Materials. Use of UI Sponsored Materials under this policy is subject to the following conditions:

a. Internal Use. Internal use is use by anyone employed by UI, or attending the UI as a student, while acting within the scope of his or her employ or academic enterprise, or any agent of UI acting within the scope of his or her agency, either directly or through a grant or contract, or by any UI unit. Internal use of UI Sponsored Materials for the same general purpose for which they were developed, and revision of such materials, do not require the prior approval or notification of any of the natural person or persons. However, for as long as any natural person or persons involved in the creation or development of UI Sponsored Materials remains a UI employee or student, such natural person or persons may, in a professionally appropriate manner, propose revisions of the material.

b. External Use. External use is any use other than that defined in Subsection B-6-a. above. Licensing or sale of UI Sponsored Materials for external use must be preceded by a valid written agreement between the natural person or persons and UI or the UI’s designated agent specifying the conditions of use, and including provisions concerning updating or revision of the materials.

B-7. Protection.

a. Allegations of unauthorized use or copyright infringement of UI Sponsored Materials should be made to the Intellectual Property Committee for investigation. The committee will recommend appropriate action to the provost.

b. If such action is initiated by UI alone or in concert with the natural person or persons, the costs are borne by UI or UI’s agent. Proceeds from the action in excess of costs are shared as provided in Subsection B-4-b.

c. If the natural person or persons involved in the creation or development of the allegedly infringed intellectual property desires to institute a suit and UI decides not to act, UI will co-operate either by assigning to the natural person or persons such rights as are necessary for the natural person or persons to pursue redress or by some other reasonable method acceptable to UI. The costs of the suit will be born by the natural person or persons desiring to sue, who will also obtain any monetary relief obtained from the alleged infringer due to the prosecution of the suit.

B-8. Liability. When either UI or the natural person or persons involved in the creation or development of materials copyrighted by UI or its assignee is alleged to have violated personal or property rights, UI or its designated agent assumes responsibility for the defense against such allegation and the satisfaction of any judgment rendered against

UI or the natural person or persons except insofar as liability of governmental entities is limited by Idaho Code 6-903 as currently written or later amended.

B-9. Waiver. Any person involved in the development of copyrightable materials governed by Section 5300 B waives any claim that otherwise legal use of the material by UI, its agents, employees, or distinct units, creates legal liability by UI, its agents, employees, or distinct units, on any theory of indirect liability for allegedly infringing actions of third parties. *[ed. 4-08]*

C. PROTECTABLE DISCOVERIES. “Protectable Discoveries,” for purposes of this Section 5300 is defined to include anything which might be protected by utility patent, plant patent, design patent, plant variety protection certificate, maskwork, or trade secret. All Protectable Discoveries made by UI employees at any of its facilities in the course of programs carried on by UI or made by persons in the course of working on such programs or projects under contracts or agreements with UI belong to UI. The natural person or persons involved in the creation or development of such Protectable Discoveries shall assign to UI all such (1) Protectable Discoveries, (2) applications for legal protection of such Protectable Discoveries, and (3) utility patents, plant patents, design patents, and plant variety protection certificates resulting from such Protectable Discoveries. Absent a valid written agreement to the contrary, any Protectable Discoveries made by UI employees or such other natural person or persons identified above with the use of facilities (other than library resources, normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) owned by UI or made available to it for project or research purposes are deemed to have been made in the course of working on a research program or project of UI.

C-1. Ownership by Other Than UI. A Protectable Discovery made by a natural person or persons wholly on his or her own time outside of his or her duties at UI and without the use of UI facilities (other than library resources, normal office use, incidental use of the UI internet network consistent with UI internet use policy, and other facilities for which the person has paid use fees) belongs to that natural person or persons, even though it falls within the field of competence relating to the person’s UI position. This provision also allows any Protectable Discovery made by a natural person or persons in the course of private consulting services carried out by the person in conformance with the UI’s policy on professional consulting and additional workload [see 3260] to be assigned to the consulting sponsor.

C-2. UI Processes. All Protectable Discoveries made by a natural person or persons in the course of working on a UI research program or project must be submitted to the Office of Technology Transfer (OTT). If a Protectable Discovery is accepted by OTT for development, management, marketing, licensing, or assignment in any manner for the purposes of this policy, OTT must ensure that such property is conveyed, assigned, or transferred to UI. OTT shall have full power to manage such rights and to enter into contracts and licenses concerning such rights, including the right to join in agreements with other nonprofit intellectual property-management entities. *[rev. 7-97, 7-06, 4-08]*

a. Upon submission of intellectual property to OTT, OTT must make a formal written decision to pursue commercialization for that property within three months. If OTT does not file for protection of the intellectual property within eighteen months of the date the disclosure was submitted, the rights shall be evaluated for return to the inventors. If

OTT submits a provisional patent application for intellectual property protection, a "full" and non-provisional patent application must be submitted within nine months of the date of the submission of the provisional patent. *[add. 7-97; ed. 7-98, rev. 4-08]*

b. The OTT shall submit semi-annual reports, as long as UI owns the property, to both the inventor/natural person or persons of and to the college or center where the inventor(s) are located. The report will include: 1) the status of the application until such time that protection is granted, 2) the marketing activities for the property being serviced, and 3) an accounting for funds received from the property. In the event that OTT has been unsuccessful in transferring a property or filing a patent application within three years after its first acceptance, OTT must notify the college or center and inventor(s) in writing. *[add. 7-97, rev. 7-06, 4-08]*

c. If OTT determines not to pursue commercialization of a Protectable Discovery, the University may elect, subject to controlling federal law, including but not limited to 37 CFR 401 ("Bayh-Dole"), to reconvey, assign and transfer the Protectable Discovery to the natural person or persons (inventors) involved in the creation of the intellectual property. *[rev. 4-08]*

C-3. Proceeds. OTT will make provision to share the net proceeds, management, and licensing of any Protectable Discovery as follows: *[rev. 4-08]*

a. Legal and development expenses incurred by OTT will be reimbursed first out of the net proceeds, prior to any distributions. *[rev. 4-08]*

b. Absent a valid written agreement to the contrary, the net proceeds in excess of legal and development expenses shall be distributed as follows: 40 percent to the natural person or persons; 40 percent to OTT; and 20 percent to the college or service unit of the natural person or persons. At least half of the share allocated to the college or other unit is given to the department of the natural person or persons for use in furthering its goals. *[rev. 4-08]*

C-4. Ownership Questions. Questions as to the ownership of a Protectable Discovery or division of proceeds between persons involved in development of such discoveries and departments are referred in the first instance to the Intellectual Property Committee. The disputes will be decided in accordance with Section 5300(D).

D. DISPUTE RESOLUTION. From time to time, disputes will inevitably occur concerning ownership of the intellectual property (copyrights and Protectable Discoveries) contemplated in this Section 5300. Resolution of such disputes shall be achieved by the following procedure:

D-1. Intellectual Property Dispute Committee. The Intellectual Property Dispute Committee (IPD Committee) shall be an Ad Hoc Committee formed when necessary by appointments made by the Provost, in consultation with the Chair of Faculty Senate and the President of the Graduate and Professional Student Association (GPSA). Normally the IPD Committee shall be composed of five faculty members and two graduate students. The Provost shall appoint the chair from among the faculty members. In the event the GPSA shall fail to appoint one or more student members, the IPD Committee may nonetheless be formed by the Provost and conduct business without the GPSA student representatives. *[ed. 7-09]*

D-2. Recommendation by the Intellectual Property Dispute Committee. The IPD Committee considers, investigates, and makes recommendations toward resolution of disputes concerning (1) ownership of copyrightable materials and Protectable

Discoveries, and (2) allegations or unauthorized use or copyright infringement of UI Sponsored Materials. It reviews all relevant evidence submitted to it before making its recommendation to the provost. The IPD Committee's recommendation is to be made no later than 60 days after receiving the matter for consideration. The IPD Committee's recommendation is determined by a majority of all its members voting by secret ballot at a meeting at which over one-half its appointed members are present. No member may participate in any matter in which his or her ownership rights are being determined.

D-3. Decision by the Provost. After receiving the recommendation of the IPD Committee, the provost makes a decision concerning ownership or infringement. The provost's decision is made no later than 30 days after receiving the IPD Committee's recommendation. That decision is transmitted in writing to the natural person or persons and to his or her departmental administrator and dean.

D-4. Appeal of the Decision of the Provost. The decision of the Provost may be appealed to the President of the University. Further appeals shall be made as from any other decision of an administrative body under the laws of the State of Idaho in effect from time to time.

E. SPECIAL ARRANGEMENTS FOR FEDERAL, STATE, AND PRIVATE GRANTS. Nothing in this policy shall prevent UI from accepting research grants from, and conducting research for, agencies of the United States upon terms and conditions under applicable provisions of federal law or regulations that require a different disposition of rights in any form of intellectual property. Moreover, nothing herein shall prevent cooperative arrangements with other agencies of the state of Idaho for research. Where receipt of a grant in support of research from any nonprofit agency or group may be dependent upon acceptance of terms and conditions of the established intellectual property policy of the grantor that differ from those stated herein, UI may specifically authorize acceptance of such grant upon such terms and conditions. UI may also specifically authorize contractual arrangements with an industrial sponsor for different disposition of rights in any form of intellectual property resulting from its sponsored research.

F. RECORD-KEEPING. See Section 5500 for record-keeping procedures that are recommended in order to safeguard the property rights of UI or the faculty member in research and potentially patentable results.

ATTACHMENT 2

BOISE STATE UNIVERSITY

COPYRIGHTS, PROTECTABLE DISCOVERIES AND OTHER INTELLECTUAL PROPERTY RIGHTS

Purpose:
This Policy shall be deemed to be a part of the conditions of employment for every employee of Boise State University, including student employees. The purpose of this Policy is to establish ownership of copyrights, protectable discoveries and other intellectual property rights and to provide guidelines for the distribution of income received for the sale of those works.

Additional Authority:
Idaho State Board of Education Governing Policies and Procedures §V.M

Scope:
Faculty, Staff and Students of the University

Responsible Party:
Division of Research and Economic Development, 426-5732

POLICY

I. Introduction and Definitions

A. Introduction

Boise State University encourages the creation of scholarly works as an integral part of its mission. University participation in the development, marketing, and dissemination of educational and research materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. The University recognizes its obligation to transfer technology and useful discoveries to society. The rights and obligations of Boise State University, its employees and students and other third parties shall be governed by this Policy with respect to all types of intellectual property.

B. Definitions

For purposes of this Policy, the following terms shall have the following meanings:

1. “Electronic” shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

2. “Written” or “in writing” shall include information created, generated, sent, communicated, received, or stored by electronic means, including without limitation email, telecopy, and facsimile transmissions.

3. “Natural person or persons” means natural person or persons involved in the creation or development of intellectual property.

4. “Copyrightable Works” is defined to mean anything which might be protected by copyright, such as the following:

   a) Study guides, tests, syllabi, course materials, bibliographies, texts, books, and articles.

   b) Films, filmstrips, photographs, slides, charts, transparencies, illustrations, and other visual aids.

   c) Programmed instructional materials.

   d) Audio and video recordings.

   e) Simultaneously recorded live audio and video broadcasts.

   f) Dramatic, choreographic, and musical compositions.

   g) Pictorial, graphic, and sculptural works.

   However, Computer software, including computer programs, procedural design documents, program documents, and databases as defined below shall be treated for purposes of this Policy as a Protectable Discovery and not as a Copyrightable Work.

5. “Computer program” means a set of instructions that direct a computer to perform a sequence of tasks.

6. “Procedural design document” refers to material that describes the procedural steps involved in the creation of a computer program.

7. “Program document” refers to material created for the purpose of aiding the use, maintenance, or other interaction with a computer program.

8. “Data base” means a collection of data elements grouped together in an accessible format.

9. “Protectable Discoveries” is defined to include anything which might be protected by utility patent, plant patent, design patent, plant variety protection certificate, maskwork, or trade secret and computer software, including computer programs, procedural design documents, program documents, and databases as defined above.

II. Copyrightable Works

A. General Provisions

The University’s participation in the development of Copyrightable Works raises questions concerning the ownership and use of materials in which the University has become an active and intentional partner through substantial investment of resources. This policy is established to clarify the rights of the natural person or persons and the University regarding ownership and use of copyrightable materials. The University acknowledges the right of faculty and staff members to prepare and publish materials that are copyrightable in the name of the natural person or persons and that may generate royalty income for the natural person or persons. (In this policy, “the natural person or persons” is to be construed broadly as including producers of creative works in the arts and sciences and creators of literary or scholarly writing.)

Faculty, staff members, and students retain all rights in the copyrightable materials they create except in the cases of “University-Sponsored Materials” or “University-Directed Materials” as defined below, materials subject to grant of a non-exclusive license to the University for educational use or public access as described below, materials covered by a Grant or Contract as discussed below, and materials covered by a valid written agreement between the natural person or persons and the University as discussed below. Faculty members and staff members shall cooperate with reasonable requests from the University for the creation of any documents and records needed to vest and memorialize the University’s rights, if any.

Course materials for courses offered by the University to its students shall not be University-Sponsored or University-Directed Materials, but instead shall be the property of the natural person or persons in the absence of a written agreement between the natural person or persons and the University signed by the Provost and Vice-President for Academic Affairs.

Copyrightable materials produced by employees, other than traditional scholarly publications and course materials written by faculty for courses offered by the University to its students, are “University-Sponsored

Materials" within the meaning of this Policy if the natural person or persons made "substantial use" of University resources in the creation or development of the specific materials. In light of the University's role in the creation of University-Sponsored Materials, the natural person or persons hereby irrevocably assign to the University all right, title and interest worldwide to University-Sponsored Materials, applications for legal protection of such University-Sponsored Materials and copyrights resulting from the creation of such University-Sponsored Materials.

Absent a valid written agreement otherwise, University-Sponsored Materials are to be registered in the name of the University and the University has the right to register, protect, transfer, convey, license or otherwise derive income from University-Sponsored copyrightable works. However, in light of the University's educational mission and its role in the creation of the copyrightable materials, when entering into agreements to transfer, convey, or license the copyrightable works, the University should retain an irrevocable, non-exclusive, non-transferable, royalty-free license in University-Sponsored Materials.

Copyrightable materials produced by employees, other than traditional scholarly publications and course materials written by faculty for courses offered by the University to its students, are University-Directed Materials within the meaning of this Policy if the natural person or persons developed the material as part of the course and scope of his or her specific employment duties. Course materials written by faculty for courses offered by the University to its students are University-Directed Materials within the meaning of this Policy if the natural person or persons received extra pay or other consideration from the University to prepare the specific materials pursuant to an agreement providing that the extra pay or other consideration is in exchange for the ownership of the specific materials. University-Directed Materials are owned by the University and are to be registered in the name of the University.

Notwithstanding anything to the contrary in this Policy, in order to permit the University to comply with public access mandates established by state or federal law or federal agency or University policy and related terms and conditions of research agreements, faculty, staff, and students accepting research grants or contracts from, and conducting research from United States federal agencies hereby grant the University an irrevocable, non-exclusive, non-transferable, non-commercial, royalty-free license in copyrightable materials produced as a result of such research.

B. Royalties and Income

1. Out of the gross receipts from royalties and other income from license, sale or rental of the University-Sponsored Materials, the

University, through its Division of Research and Economic Development ("DRED"), shall recover reasonable expenses, including legal expenses, it incurred in the development, marketing, protection or dissemination of the materials.

2. The net proceeds are then distributed once yearly as follows: 50 percent to the natural person or persons and 50 percent to the University.

C. Use of University-Sponsored Materials

Use of the University-Sponsored Materials under this Policy is subject to the following conditions:

Use is use by anyone employed by the University, or attending the University as a student, while acting within the scope of his or her employment or academic enterprise, or any agent of the University acting within the scope of his or her agency, either directly or through a grant or contract, or by any University unit. Use of the University-Sponsored Materials for any lawful purpose of the University does not require the prior approval or notification of any of the natural person or persons. However, for as long as any natural person or persons involved in the creation or development of the University-Sponsored Materials remains a University employee or student, such natural person or persons may, in a professionally appropriate manner, propose revisions of the material.

D. Protection

1. Allegations of unauthorized use or copyright infringement of the University-Sponsored Materials should be made to the Intellectual Property Committee for investigation. The committee will recommend appropriate action to the Vice President for Research and Economic Development ("VPRED").

2. If such action is initiated by the University alone or in concert with the natural person or persons, the costs are borne by the University. Proceeds from the action in excess of costs are shared as provided above.

3. If the natural person or persons involved in the creation or development of the allegedly infringed intellectual property desires to institute a suit and the University decides not to act, the University will cooperate either by assigning to the natural person or persons such rights as are necessary for the natural person or persons to pursue redress or by some other reasonable method acceptable to the University. The costs of the suit will be borne by

the natural person or persons desiring to sue, who will also obtain any monetary relief obtained from the alleged infringer due to the prosecution of the suit.

E. Waiver

Any person involved in the development of copyrightable materials governed by this Policy waives any claim that otherwise legal use of the material by the University, its agents, employees or students creates legal liability by the University, its agents, employees or students on any theory of indirect liability for allegedly infringing actions of third parties.

III. Protectable Discoveries

A. General Provisions; Irrevocable Assignment

All Protectable Discoveries, and any data or tangible materials that are associated with or embody Protectable Discoveries, discovered, developed, conceived, or reduced to practice by University employees through work performed within the scope of their duties at the University, by University employees or other persons using University resources not openly available to members of the general public, or by University employees or other persons through work performed under contracts or agreements with the University shall be the property of the University, effective immediately as of the time such Protectable Discoveries are discovered, developed, conceived, or reduced to practice. Such persons, whether University employees or other persons subject to this Subsection, do hereby irrevocably assign to the University all right title, and interest, worldwide, to Protectable Discoveries, applications for legal protection of such Protectable Discoveries, and utility patents, plant patents, design patents, and plant variety protection certificates, or copyrights resulting from such Protectable Discoveries. Protectable Discoveries made by University employees or such other persons, and for which the University does not expressly disclaim ownership under this Policy, are deemed to have been made under the conditions identified above for which ownership is claimed by and all rights in such Protectable Discoveries are assigned to the University. University employees have a duty to refrain, and hereby agree to refrain, from any act that would impair or attempt to defeat the University's rights in any Protectable Discovery.

Protectable Discoveries made by students, and without the use of University resources beyond those associated with normal coursework, will remain the property of the students, except when a Protectable Discovery is made in the course of employment at the University, or results from work directly related to employment responsibilities at the

University, or from work or research performed under a grant or other sponsorship.

A Protectable Discovery discovered, developed, or conceived and reduced to practice by University employees or other persons wholly on his or her own time, outside the scope of his or her duties at the University, and without the use of University facilities (other than library resources) shall belong to that person, even though it falls within the field of competence relating to the person's University position. This provision also allows any Protectable Discovery made by a University employee in the course of private consulting services carried out by the employee in conformance with the University's policy on professional consulting to be assigned to the consulting sponsor.

B. Proceeds

1. Out of the gross receipts from royalties or other income from license, sale or rental of the Protectable Discovery, the University, through its DRED, shall recover reasonable expenses, including legal expenses, it incurred in the development, marketing, protection or dissemination of the materials.

2. The net proceeds are then distributed once yearly as follows: 50 percent to the natural person or persons and 50 percent to the University.

IV. University Processes

A. The DRED shall be responsible for the development, management, marketing, and licensing of all Copyrightable Works and Protectable Discoveries (collectively "Intellectual Property") for which the University claims ownership under this Policy. All such Intellectual Property must be disclosed to the DRED. The DRED shall have full power to manage such rights and to enter into contracts and licenses concerning such rights, including the right to join in agreements with other nonprofit intellectual property-management entities.

B. Upon disclosure of Intellectual Property to the DRED, the DRED will communicate, as soon as practicable its determination regarding whether the University wishes to pursue commercialization and/or a patent or other legal protection. The DRED shall make reasonable efforts to complete its review and convey its determination to the person or persons disclosing the Intellectual Property within three (3) months after receiving a full and complete disclosure of the Intellectual Property.

C. Should the University decide to pursue commercialization and/or patent or other legal protection for the Intellectual Property, the DRED shall, not less than annually and for so long as the University owns the Intellectual Property, provide reports to the college or center where the inventor(s) are located regarding the Intellectual Property. The report will include 1) the status of any application until such time that protection is granted, 2) the marketing activities for the property being serviced, and 3) an accounting for funds received from the property. In the event that the DRED has been unsuccessful in transferring a property or filing a patent application within three years after its first acceptance, the DRED must notify the college or center in writing.

D. If the DRED determines not to pursue commercialization of the Intellectual Property, the University may elect, at its sole discretion and subject to controlling federal law, including but not limited to 37 C.F.R. §401 ("Bayh-Dole"), and applicable policies of the State Board of Education, to reconvey, assign, and transfer the Intellectual Property to those person or persons involved in the creation of the Intellectual Property.

V. Other Intellectual Property Rights

All other intellectual property rights not referred to in the above sections are covered under Idaho State Board of Education Policy Section V.M.

VI. Dispute Resolution

From time to time, disputes will inevitably occur concerning ownership of the intellectual property contemplated in this Policy. Resolution of such disputes shall be achieved by the following procedure:

A. Intellectual Property Dispute Committee

The Intellectual Property Dispute Committee ("IPD Committee") shall be an Ad Hoc Committee formed when necessary by appointments made by the VPRED. The IPD Committee shall be composed of five faculty and staff members. Additionally, the Office of the General Counsel shall appoint an ex officio representative to the IPD Committee. The VPRED shall appoint the chair from among the committee members.

The IPD Committee considers, investigates, and makes recommendations toward resolution of disputes concerning (1) ownership of copyrightable materials and Protectable Discoveries, and (2) allegations of unauthorized use or copyright infringement of the University-Sponsored Materials. It reviews all relevant evidence submitted to it before making its recommendation to the VPRED. The IPD Committee's recommendation is to be made no later than 60 days after receiving the matter for consideration. The IPD Committee's recommendation is determined by a majority of all its members voting by secret ballot at a meeting at which over one-half its appointed members are present. No member may participate in any matter in which his or her ownership rights are being determined.

B. Decision by the VPRED

After receiving the recommendation of the IPD Committee, the VPRED makes a decision concerning ownership or infringement. The VPRED's decision is made no later than 30 days after receiving the IPD Committee's recommendation. That decision is transmitted in writing to the natural person or persons and to his or her departmental administrator and dean.

C. Appeal of the Decision of the VPRED

The decision of the VPRED may be appealed to the President of the University. The decision of the President shall be the final decision of the University.

VII. Special Arrangements for Federal, State, and Private Grants

Nothing in this Policy shall prevent the University from accepting research grants from, and conducting research for, agencies of the United States upon terms and conditions under applicable provisions of federal law or regulations that require a different disposition of rights in any form of intellectual property. Moreover, nothing herein shall prevent cooperative arrangements with other agencies of the State of Idaho for research. Where receipt of a grant in support of research from any nonprofit agency or group may be dependent upon acceptance of terms and conditions of the established intellectual property policy of the grantor that differ from those stated herein, the University may specifically authorize acceptance of such grant upon such terms and conditions. The University may also specifically authorize contractual arrangements with an industrial sponsor for different disposition of rights in any form of intellectual property resulting from its sponsored research, provided however, that the terms of any such contractual arrangements must comply with the policies of the Idaho State Board of Education and with Idaho state and federal laws.

VIII. Conflict of Interest

The purpose of this section of the policy is to incorporate State Board of Education Rule IDAPA 8.00 I 2,4 – Conflict of Interest Rule as it relates to Intellectual Property activities.

A. All decisions of employees of Boise State University concerning transfer of intellectual property are to be made solely on the basis of promoting the best interest of Idaho's postsecondary education and the public good.

B. In the event that an employee of Boise State University shall be called upon to consider a transaction involving an organization with which an employee of Boise State University is affiliated, such employee, as soon as he or she has knowledge of the transaction, shall:

   1. Disclose fully the precise nature of his or her interest or involvement in such transaction and/or such organization; and

   2. Refrain from participation in the institution's consideration of the proposed transaction.

C. The employees shall also disclose to the institution on a continuing basis all their relationships and business affiliations that reasonably could give rise to a conflict of interest because of their respective duties and responsibilities.

D. For the purpose of this conflict of interest rule, an employee is affiliated with an organization if he or she or a member of his or her immediate family:

   1. Is an officer, director, trustee, partner, employee or agent of such organization;

   2. Is either the actual or beneficial owner of more than 50% or $5,000 of the voting stock or controls interest of such organization; or

   3. Has any other direct or indirect dealings with such organization from which she or he knowingly is materially benefitted. It shall be presumed that a person is materially benefitted if she or he receives directly or indirectly cash or other property (exclusive of dividend and interest) in excess of $100 in any year in the aggregate.

E. All disclosures required to be made hereunder must be directed in writing to the Conflict of Interest Officer of the University who shall have responsibility for administration of this conflict of interest rule. The employees shall rescue themselves from any and all potential conflicts of interest. All known violations, disputes, and other issues arising out of the application of this rule to employees of Boise State University shall be referred to the State Board of Education for appropriate action. If the State Board determines that a conflict of interest has occurred, the State Board may take action against the employee.

F. Boise State University shall ensure that all contractors retained to facilitate the transfer of intellectual property conform with this conflict of interest rule.

IDAHO STATE UNIVERSITY
POLICIES AND PROCEDURES (ISUPP)
Intellectual Property Policy
(policy number TBD)

POLICY INFORMATION

Major Functional Area (MFA): *Research VII*

Policy Title: *Intellectual Property Policy*

Responsible Executive (RE): *Vice President for Research*

Sponsoring Organization (SO): *Technology Transfer Office*

Dates: Effective Date: *June , 2012*

Revised: *NA*

Annual Review: *June , 2013*

I. INTRODUCTION

ISU encourages the creation of scholarly works as an integral part of its mission. ISU's participation in the development, marketing, and dissemination of educational materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. ISU recognizes its obligation to transfer technology and useful discoveries to society. ISU also recognizes its obligation to comply with the Section V.M. of the Governing Policies and Procedures of the Idaho State Board of Education (the "Board") with respect to intellectual property. The policy requires the institutions develop "policies setting out technology transfer administration, including evaluating, financing, assignment, marketing, protection, and the division and use of royalties, as well as amendments thereto" be submitted to the Board for its review and approval. With respect to all types of intellectual property, the rights and obligations of ISU, its employees and students and other third parties shall be governed by this policy.

II. POLICY STATEMENT

This policy applies across all of ISU and affects faculty, staff and students. This policy applies to scholarly and creative works at ISU and to the transfer of new technologies and useful discoveries. The policy describes how ISU governs all types of intellectual property, rights and obligations in regard to its students, employees and third parties.

III. AUTHORITY AND RESPONSIBILITIES

The enforcement of this policy is the responsibility of the Vice President for Research (VPR) and Economic Development with assistance from ISU General Counsel and the Technology Transfer Officer. The Office of Technology Transfer (OTT) shall be responsible for the development, management, marketing, licensing of all Protectable Discoveries for which ISU claims ownership under this policy.

IV. DEFINITIONS

For purposes of these Research Policies the following terms shall have the following meanings:

A. "copyrightable works," for the purposes of these Research Policies means anything which constitutes an original work of authorship fixed in a tangible medium of expression and includes, as examples, the types or works described in section V.B.1 below.
B. "electronic" shall mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
C. "intellectual property" (IP) includes all types of intellectual property recognized under applicable law, including but not limited to copyrightable works, Protectable Discoveries, trade secrets, and mask works.
D. "ISU-Sponsored Materials" is defined in Section V.B.2.b below.
E. "natural person or persons" means natural person or persons involved in the creation or development of intellectual property. In this policy, "the natural person or persons" is to be construed broadly as including producers of creative works in the arts and sciences and creators of literary or scholarly writing.
F. "Protectable Discoveries," for purposes of these Research Policies means anything that might be protected by utility patent, plant patent, design patent, plant variety protection certificate, maskwork, or trade secret.
G. "written" or "in writing" shall include information created, generated, sent, communicated, received, or stored by electronic means, including without limitation email, telecopy, and facsimile transmissions.

V. PROCEDURES TO IMPLEMENT

ISU faculty, staff or students who have Intellectual Property that they would like to copyright or patent will contact the VPR or Tech Transfer Officer to determine if the work falls under this policy. If so, the Tech Transfer Officer will work with that individual to develop the IP, according to this policy.

A. ISU encourages the creation of scholarly works as an integral part of its mission. ISU's participation in the development, marketing, and dissemination of educational materials has as its aim the improvement of the quality, effectiveness, and efficiency of student learning and of faculty and staff development. ISU recognizes its obligation to transfer technology and useful discoveries to society. ISU also recognizes its obligation to comply with the Section V.M. of the Governing Policies and Procedures of the Idaho State Board of Education (the "Board") with respect to intellectual property. With respect to all types of intellectual property, the rights and obligations of ISU, its employees and students and other third parties shall be governed by this policy.

The Office of Technology Transfer (OTT) has the overall authority and responsibility for carrying out this policy and binding the institution contractually with respect to the matters stated herein. In addition, the Provost has the authority to negotiate and sign written agreements relating to copyrightable works under this policy as stated in Section V.B.

To the extent permitted by this policy, individuals may enter into contracts with ISU to address intellectual property, in which case the contract terms shall control

1. **CONDITION OF EMPLOYMENT OR ENROLLMENT.** This Section shall be deemed to be a part of the conditions of employment for every employee of ISU, including student employees, and of the conditions of enrollment and attendance for every student.

B. COPYRIGHTABLE WORKS. ISU participation in the development of copyrightable works raises questions concerning the ownership and use of works in which ISU has become an active and intentional partner through substantial investment of resources. This policy is established to clarify the rights of the natural person or persons and ISU regarding ownership and use of copyrightable works in the absence of a valid written agreement between the natural person or persons and ISU. ISU acknowledges the right of faculty, staff members and students to prepare and publish copyrightable works in the name of the natural person or persons and that may generate royalty income for the natural person or persons.

1. **Coverage.** The types of works to which Subsection B applies include:

   a. Study guides, tests, syllabi, bibliographies, texts, books, and articles.

   b. Films, filmstrips, photographs, slides, charts, transparencies, illustrations, and other visual aids.

   c. Programmed instructional materials.

   d. Audio and video recordings.

   e. Simultaneously recorded live audio and video broadcasts.

   f. Dramatic, choreographic, and musical compositions.

   g. Pictorial, graphic, and sculptural works.

   h. Computer software, including computer programs, procedural design documents, program documents, and databases as defined below:

      i. "Computer program" means a set of instructions that direct a computer to perform a sequence of tasks.

      ii. "Procedural design document" refers to material that describes the procedural steps involved in the creation of a computer program.

      iii. "Program document" refers to material created for the purpose of aiding the use, maintenance, or other interaction with a computer program.

      iv. "Database" means a collection of data elements grouped together in an accessible format.

   Other copyrightable works, including materials generated in the production of any of the above works.

2. **Assignment of Ownership.** Faculty, staff members, and students retain all rights in the copyrightable works they create except in the cases of: "ISU-Sponsored Materials," as defined in Subsection 2.b below; works subject to grant of a non-exclusive license to ISU for public access, as described in Subsection 2.c below; works protectable under both patent and copyright laws, as described in Subsection d

works covered by a valid written agreement between the natural person or persons and ISU as discussed in Subsection V.B.4. Faculty members, staff members, and students shall cooperate with reasonable requests from ISU for the creation of any documents and records needed to vest and memorialize ISU's rights, if any.

Retention of Rights. Except as otherwise provided in Subsection 2.b, 2.c, 2.d, the natural person or persons retain the rights to: (1) copyrightable works produced while on sabbatical leave; (2) study guides and similar materials; and (3) works prepared as part of the general obligation to produce scholarly or other creative works of the natural person or persons, such as, but not limited to articles, books, musical compositions, and works of art.

b. **ISU-Sponsored Materials.** Copyrightable works are "ISU-Sponsored Materials" within the meaning of this policy if the natural person or persons: (1) was commissioned specifically in writing by ISU or one of its distinct units to develop the material as part of his or her employment duties and the writing states that the resulting works would be considered "ISU-Sponsored"; (2) received extra pay from ISU to prepare the specific materials pursuant to a valid written agreement providing that the extra pay is consideration for the preparation of the specific materials; (3) received release time from regular duties to produce the specific materials; or (4) made "substantial use" of ISU resources in the creation or development of the specific materials, provided however that the use of ISU resources regularly and customarily available to him/her as part of his/her regular employment or as part of his/her regular academic enterprise, shall not be considered "substantial use" of ISU resources.

c. **University Non-exclusive License for Public Access.** In order to permit ISU to comply with public access mandates established by federal law or federal agency or university policy (e.g. the National Institutes of Health Public Access Policy, Division G, Title II, Section 218 of PL 110-161 [Consolidated Appropriations Act, 2008]) and related terms and conditions of research agreements, faculty, staff, and students accepting research grants or contracts from, and conducting research from United States federal agencies hereby grant ISU an irrevocable, non-exclusive, non-transferable, non-commercial, royalty-free license in copyrightable works produced as a result of such research, such license to be used solely to comply with public access mandates. This grant of non-exclusive license is deemed by ISU to be a special arrangement for federal grants and contracts, per Section V.G, and is not subject to the disposition of rights described in V.B.2 or to negotiation under Section V.D.

d. **Materials Protectable by Both Patent and Copyright Laws**. Materials that may be protected under either or both patent or copyright laws (e.g. computer software) shall be treated under this Section as Protectable Discoveries and shall be subject to the disposition of ownership and the process for commercialization described in Section V.C.

3. **Registration of Copyrightable Works.** Absent a valid written agreement otherwise, ISU-Sponsored Materials are to be registered in the name of the Idaho State University or its assignee. ISU or its designee has the right to file registrations of ISU Sponsored copyrightable works.

4. **Written Agreements.**

   a. The provost or his or her designee represents ISU in negotiating agreements with the natural person or persons creating or developing copyrightable works pursuant to this Section V.B of this policy. The natural person or persons creating or developing copyrightable works may negotiate with the provost and arrive at a mutually agreeable contract. The provost or his or her designee consults with the dean or departmental administrator of the department of the natural person or persons in drafting these agreements. (For purposes of this policy, "dean" includes persons with equivalent administrative capacities.)

   b. Valid written agreements concerning copyright ownership, use of copyrighted works, and distribution of royalties and income from copyrightable works which are entered into by one or more natural person or persons and the provost supersede the provisions of this Section. To be valid, such agreements must (1) comply with the terms of any relevant grants or contracts as discussed in Section V.G below, (2) comply with the policies of Idaho State University, and 3) comply with Idaho state and federal law, including Section V.M. of the Governing Policies and Procedures of the Board.

5. **Use of ISU-Sponsored Materials.** Use of ISU-Sponsored Materials under this policy is subject to the following conditions:

   a. **Internal Use.** Internal use is use by anyone employed by ISU, or attending ISU as a student, while acting within the scope of his or her employ or academic enterprise, or any agent of ISU acting within the scope of his or her agency, either directly or through a grant or contract, or by any ISU unit. Internal use of ISU-Sponsored Materials for the same general purpose for which they were developed, and revision of such materials, does not require the prior approval or notification of any of the natural person or persons. However, for as long as any natural person or persons involved in the creation or development of ISU- Sponsored Materials remains an ISU employee or student, such natural person or persons may, in a professionally appropriate manner, propose revisions of the material.

   b. **External Use.** External use is any use other than that defined in Subsection 5.a above. Licensing or sale of ISU-Sponsored Materials for external use must be preceded by a valid written agreement between the natural person or persons and ISU or ISU's designated agent specifying the conditions of use, and including provisions concerning updating or revision of the materials.

6. **Liability.** When either ISU or the natural person or persons involved in the creation or development of works copyrighted by ISU or its assignee is alleged to have violated personal or property rights, ISU or its designated agent assumes responsibility for the defense against such allegation and the satisfaction of any judgment rendered against ISU or the natural person or persons except insofar as liability of governmental entities is limited by Idaho Code § 6-903 as currently written or later amended.

7. **Waiver.** Any person involved in the development of copyrightable works governed by Section V.B waives any claim that otherwise legal use of the work by ISU, its agents, employees, or distinct units, creates legal liability by ISU, its agents, employees, or distinct units on any theory of indirect liability for allegedly infringing actions of third parties.

C. **PROTECTABLE DISCOVERIES.** All Protectable Discoveries, and any data or tangible materials that are associated with or embody Protectable Discoveries, discovered, developed, conceived, or reduced to practice by ISU employees through work performed within the scope of their duties at ISU, by ISU employees or other persons using ISU resources not openly available to members of the general public, or by ISU employees or other persons through work performed under contracts or agreements with ISU shall be the property of ISU, effective immediately as of the time such Protectable Discoveries are discovered, developed, conceived, or reduced to practice. Such persons, whether ISU employees or other persons subject to this Subsection, agree to assign and do hereby irrevocably assign to ISU all right title, and interest to Protectable Discoveries, applications for legal protection of such Protectable Discoveries, and utility patents, plant patents, design patents, and plant variety protection certificates, or copyrights resulting from such Protectable Discoveries. Absent a valid written agreement to the contrary, any Protectable Discoveries made by ISU employees or such other persons, and for which ISU does not expressly disclaim ownership under Subsections C.1 and C.2, below, are deemed to have been made under the conditions identified above for which ownership is claimed by and all rights in such Protectable Discoveries are assigned to ISU. ISU employees have a duty to refrain, and hereby agree to refrain, from any act that would impair or defeat ISU rights in any Protectable Discovery.

1. **Protectable Discoveries of Undergraduate and Graduate Students.**

   a. **Undergraduate Students:** Protectable Discoveries made by undergraduate students, and without the use of University resources beyond those associated with normal coursework, will remain the property of the students, except when a Protectable Discovery is made in the course of employment at ISU, or results from work directly related to employment responsibilities at ISU or from work or research performed under a grant or other sponsorship, or is undertaken with another person who has a duty to make or has made an assignment to ISU under this Section.

   b. **Graduate Students:** Protectable Discoveries made by graduate students in the course of employment at ISU or through research carried out as part of a post-baccalaureate or doctoral degree or other non-degree program, or resulting from work directly related to the graduate student's employment, training or research responsibilities at the ISU, or from work or research performed under a grant or other sponsorship, or undertaken with another person who has a duty to make or has made an assignment to ISU under this Section, shall be the property of ISU and shall be subject to this Section. Any Protectable Discoveries arising from a thesis or dissertation submitted as a part of the requirements for a degree shall be subject to this Section.

2. **Ownership by Other Than ISU.** A Protectable Discovery discovered, developed, or conceived and reduced to practice by ISU employees or other persons wholly on his or her own time, outside the scope of his or her duties at ISU, not performed under contracts or agreements with ISU, and without the use of ISU facilities (other than library resources) shall belong to that person, even though it falls within the field of competence relating to the person's ISU position. This provision also allows any Protectable Discovery made by an ISU employee in the course of private consulting services carried out by the employee in conformance with the ISU's policy on

professional consulting and additional workload to be assigned to the consulting sponsor.

3. **ISU Processes.** The Office of Technology Transfer (OTT) shall be responsible for the development, management, marketing, licensing of all Protectable Discoveries for which ISU claims ownership under Section V.C. All such Protectable Discoveries must be disclosed to OTT. OTT shall have full power to manage such rights and to enter into contracts and licenses concerning such rights, including the right to join in agreements with other nonprofit intellectual property-management entities, to accept institutional ownership interests, to continue development in institutional facilities for the benefit of the licensee, and to engage in business planning or production assistance activities.

   a. Upon disclosure of a Protectable Discovery to OTT, OTT will communicate, as soon as practicable its determination regarding whether the ISU wishes to pursue commercialization and/or a patent or other legal protection. OTT shall make reasonable efforts to complete its review and convey its determination to the person disclosing a Protectable Discovery within three (3) months after receiving a full and complete disclosure of "the Protectable Discovery."

   b. The OTT shall, not less than annually and for so long as ISU owns the Protectable Discovery, provide reports to both the persons involved in the invention of the Protectable Discovery and to the college or center where the inventor(s) are located. The report will include 1) the status of the application until such time that protection is granted, 2) the marketing activities for the property being serviced, and 3) an accounting for funds received from the property. In the event that OTT has been unsuccessful in transferring a property or filing a patent application within three (3) years after its first acceptance, OTT must notify the college or center and inventor(s) in writing.

   c. If OTT determines not to pursue commercialization of a Protectable Discovery, the University may elect, at its sole discretion and subject to controlling federal law including but not limited to 37 C.F.R. § 401 ("Bayh-Dole"), to reconvey, assign, and transfer the Protectable Discovery to those person(s) involved in the creation of the Protectable Discovery.

4. **Ownership Questions.** Questions as to the ownership of a Protectable Discovery or division of proceeds between persons involved in development of such discoveries and departments are referred in the first instance to the Vice President of Research and Economic Development. The disputes will be decided in accordance with Section V.E.

D. ROYALTIES AND INCOME. OTT will make provision to share the net proceeds, management, and licensing of any intellectual property (copyrights and Protectable Discoveries) as follows:

1. Legal, development, marketing, or other expenses incurred by the University in relation to the intellectual property will be reimbursed first out of the net proceeds, prior to any distributions.

2. Absent a valid written agreement to the contrary, the net proceeds are distributed as follows: 40 percent to the natural person or persons, 40 percent to ISU, and 20 percent to the college (s) or service unit(s) of the natural person or persons. At least

half of the share allocated to the college or other unit is given to the department of the natural person or persons for use in furtherance of its goals.

3. ISU retains a right to royalty-free internal use of any intellectual property under this policy.

E. **DISPUTE RESOLUTION.** From time to time, disputes will inevitably occur concerning ownership of the intellectual property (copyrights and Protectable Discoveries) contemplated in this policy. Resolution of such disputes shall be achieved by the following procedure:

1. **Intellectual Property Dispute Committee.** The Intellectual Property Dispute Committee (IPD Committee) shall be an Ad Hoc Committee formed when necessary by appointments made by the Vice President of Research and Economic Development. The IPD Committee may be composed of faculty members, graduate students, and/or individuals outside of the University.

2. **Recommendation by the Intellectual Property Dispute Committee.** The IPD Committee, if one is formed, considers, investigates, and makes recommendations toward resolution of disputes concerning ownership of copyrightable works and Protectable Discoveries. It reviews all relevant evidence submitted to it before making its recommendation to the Vice President of Research and Economic Development. The IPD Committee's recommendation is to be made no later than 60 days after receiving the matter for consideration.

3. **Decision by the Vice President of Research and Economic Development.** After receiving the recommendation of the IPD Committee, if one is formed or, if such a committee is not formed, after reviewing the available information, the Vice President of Research and Economic Development makes a decision concerning ownership and will transmit his or her decision in writing to the natural person or persons, to his or her departmental administrator and dean, and to the Provost.

4. **Appeal of the Decision of the Vice President of Research and Economic Development.** The decision of the Vice President of Research and Economic Development may be appealed to the President of the University. Further appeals shall be made as from any other decision of an administrative body under the laws of the State of Idaho in effect from time to time.

F. **PROTECTION.** From time to time, allegations unauthorized use or infringement of intellectual property contemplated in this policy may occur. The handling of such allegations shall be as follows:

1. Allegations should be made to the Vice President of Research and Economic Development for investigation. The Vice President of Research and Economic Development will investigate and may form an ad hoc committee made up of faculty, staff, graduate students, and/or outside persons. After investigation, the Vice President of Research and Economic Development will recommend appropriate action to the President.

2. If an enforcement action is initiated by ISU alone or in concert with the natural person or persons involved in the creation or development of the allegedly infringed intellectual property, the costs will be borne as may be agreed upon by ISU and such

natural person or persons. Proceeds from the action in excess of costs are shared as provided in Section V.D.

3. If the natural person or persons involved in the creation or development of the allegedly infringed intellectual property desires to institute a suit and ISU decides not to act, ISU will cooperate either by assigning to the natural person or persons such rights as are necessary for the natural person or persons to pursue redress or by some other reasonable method acceptable to ISU. The costs of the suit will be borne by the natural person or persons desiring to sue, who will also obtain any monetary relief obtained from the alleged infringer due to the prosecution of the suit.

G. **SPECIAL ARRANGEMENTS FOR FEDERAL, STATE, AND PRIVATE GRANTS.** Nothing in this policy shall prevent ISU from accepting research grants from, and conducting research for, agencies of the United States upon terms and conditions under applicable provisions of federal law or regulations that require a different disposition of rights in any form of intellectual property. Moreover, nothing herein shall prevent cooperative arrangements with other agencies of the state of Idaho for research. Where receipt of a grant in support of research from any nonprofit agency or group may be dependent upon acceptance of terms and conditions of the established intellectual property policy of the grantor that differ from those stated herein, ISU may specifically authorize acceptance of such grants upon such terms and conditions. ISU may also specifically authorize contractual arrangements with industrial sponsors for different disposition of rights in any form of intellectual property resulting from its sponsored research.

H. **RECORD-KEEPING.** Record-keeping procedures are recommended in order to safeguard the property rights of ISU or the faculty member in research and potentially patentable results.

REQUIRED ISU EMPLOYEE IP AGREEMENTS. Attached are the Employment Agreement Concerning Intellectual Property - Attachment A, Memorandum of Understanding Regarding Research Participation and University Intellectual Property Rights - Attachment B, Disclosure of Invention Work in Progress - Attachment C, and Disclosure of Prior Contracts - Attachment D that all employees agree to sign upon employment at ISU. (See Attachments A-D.)

VI. ATTACHMENTS

Attachment A - Employment Agreement Concerning Intellectual Property
Attachment B - Memorandum of Understanding Regarding Research Participation and University Intellectual Property Rights
Attachment C - Disclosure of Invention Work In Progress
Attachment D - Disclosure of Prior Contracts

PRESIDENTIAL CERTIFICATION

Date:

Approved by Arthur C. Vailas
President, Idaho State Universi

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SUBJECT

Board Policy V.R. – Professional Fees – second reading

REFERENCE

December 2010	Board approved first reading of changes to Self-Support Fee policy
February 2011	Second reading pulled from agenda and returned to CAAP for further review
December 2011	Board approved first reading of changes to Professional Fee and Self-Support Fee policy
February 2012	Second reading sent back to BAHR for revisions
April 2012	Board approved first reading with changes

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

Staff and institutions have found that the policy on professional fees lack clarity. The proposed revisions seek to clarify which types of academic programs are eligible for professional fee and the process an institution must follow to request such a fee.

IMPACT

The proposed revisions establish a clear process for program approval. Any subsequent increase in a professional fee shall require prior approval by the Board.

ATTACHMENTS

Attachment 1- Board Policy Section V.R.3.b.iv. Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Board member Lewis requested two substantive edits to the first reading:

- In V.R.3.b.iv.1)a) (Tab 5, Page 6) the term “professional services” is reinstated in lieu of “profession”.
- Also in that same paragraph, the definition of the term “academic” is cross-referenced to policy III.E.1.

In V.R.3.b.iv.2), the UI suggested further clarifying accreditation in light of the fact that some programs must be up and running for a year prior to seeking accreditation.

Staff recommends approval.

BOARD ACTION

I move to approve the second reading of proposed amendments to Board Policy Section V.R.3.b.iv. Professional Fees, as presented in Attachment 1. It is the intent of the Board that all current Board-approved professional fees would be grandfathered in under this policy.

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, except where limited to a particular institution or institutions.

iv. Professional Fees

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

1) Credential or Licensure Requirement:

a) A professional fee may be assessed for an academic professional program if graduates of the program obtain a specialized higher education degree that qualifies them to practice a ~~profession~~ professional service involving expert and specialized knowledge for which credentialing or licensing is 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.

b) The program leads to a degree where the degree is at least the minimum required for entry to the practice of a profession.

2) Accreditation Requirement: The program:
a) Is accredited,
b) is actively seeking accreditation if a new program, or
c) will be actively seeking accreditation after the first full year of existence if a new program

by a regional or specialized accrediting agency .

3) 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.

4) The program may include support from appropriated funds.

5) 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.

6) Upon the approval and establishment of a professional fee, course fees associated with the same program shall be prohibited.

7) 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 Certificate and Program Fees

Self-support certificates and programs are a defined set of specific courses that must all be successfully completed in order to earn the certificate. Such programs must be encapsulated, separate and distinct from the regular courses of the institution. Institutions may offer self-support certificates and programs if the fees assessed cover all costs of the program and no appropriated funds are used to support the program. In addition, students pay a fee for the entire program and may not enroll for program courses on an individual course-by-course basis. Students enrolled in the self-support programs may take courses outside of the program as long as they pay the required tuition and fees for those courses. Institutions will establish such fees on an individual program basis according to anticipated expenditures. Self-support certificate and program fees are retained by the institution.

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.

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SUBJECT

Board Policy V.R. - Self-Support Certificate and Program Fees – second reading

REFERENCE

December 2010	Board approved first reading of changes to Self-Support Fee policy
February 2011	Second reading pulled from agenda and returned to CAAP for further review
December 2011	Board approved first reading of changes to Professional Fee and Self-Support Fee policy
February 2012	Second reading sent back to BAHR for revisions
April 2012	Board approved first reading

APPLICABLE STATUTES, RULE OR POLICY

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

BACKGROUND / DISCUSSION

Staff and institutions have found that the policy on self-support fees lack clarity. The proposed revisions seek to clarify which types of academic programs are eligible for self-support fee and the process an institution must follow to request such a fee.

IMPACT

The proposed revisions help distinguish self-support fees from professional fees, and establish a clear process for program approval.

Self-support programs would not be eligible for enrollment workload adjustment (EWA). If the proposed amendments to Self-support are ultimately adopted by the Board, staff will bring forward a corresponding revision to policy V.S. wherein the EWA methodology is defined.

ATTACHMENTS

Attachment 1- Board Policy Section V.R. 3.b.v. Page 3

STAFF COMMENTS AND RECOMMENDATIONS

There were no changes between first and second reading, however, staff received the following comments from institutions regarding the first reading:

1. The first reading provides that increases in self-support fees must be approved at the April board meeting. The whole idea behind these programs is letting institutions adopt an entrepreneurial approach and letting the marketplace be the arbiter of quality and cost. The policy should not require the same approval process given that not all students are impacted. The preferred approach would be to have the self-support fees and operating results reported to the Board annually at each April board meeting. The report could provide prior year costs, current year costs and enrollment. Self-

support programs should not require Board approval for every fee increase as long as the Board can see the annual operating results. These fees will adjust based on enrollments and cost to deliver the program.

2. It states that institutions will annually audit self-support programs to ensure the program revenue is paying for all programs costs. An annual audit for each program is quite labor-intensive. Alternatively, policy could require each program to demonstrate its financial self-sufficiency annually in a report to the institution's chief financial officer. An institutional audit will be required every three years to verify the program's compliance and the results of that audit can be reported to the Board. Of course, the Board and Board staff can ask for operating results at any time, but requiring annual Board reporting, an audit, etc. is not very efficient and does not encourage the entrepreneurship of these programs.

Staff does not object to these recommendations. If, however, the Board feels strongly about approving changes in self-support fees, as a compromise the policy language could be changed to read: "…any subsequent increase in a Self-support program fee shall require prior board approval." This way an institution wouldn't have to wait until the April meeting to get approval.

BOARD ACTION

I move to approve the second reading of proposed amendments to Board Policy Section V.R.3.b.v. Self-Support Certificate and Program Fees. It is the intent of the Board that all current Board-approved professional fees would be grandfathered in under this policy.

Moved by____________ Seconded by_____________ Carried Yes____ No____

OR

I move to approve the second reading of proposed amendments to Board Policy Section V.R.3.b.v. Self-Support Certificate and Program Fees, with the following changes: (1) in V.R.3.b.v.3) strike the phrase "at the same meeting institutions submit proposals for tuition and fees," and (2) change V.R.3.b.v.4) to provide that an audit is required every three years instead of annually. It is the intent of the Board that all current Board-approved professional fees would be grandfathered in under this policy.

Moved by____________ Seconded by_____________ Carried Yes____ No____

v. Self-Support Academic Program Fees

1) 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:

   a) An institution shall follow the program approval guidelines set forth in policy III.G.
   b) 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.
   c) 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.
   d) 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.
   e) Self-support program fees shall be segregated, tracked and accounted for separately from all other programs of the institution.

2) 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.
3) 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 at the same meeting institutions submit proposals for tuition and fees.
4) Institutions shall annually audit Self-support academic programs to ensure that program revenue is paying for all program costs, direct and indirect, and that no appropriated funds are supporting the program.
5) 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.

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BOISE STATE UNIVERSITY

SUBJECT

Charter air services for 2012 – 2016 football seasons

REFERENCE

June 2011	Board approves Charter air service contract for 2011 football season

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Boise State University historically bid football air charters annually. Generally, the major conferences published their schedules in late March, initiating a national rush to establish vendors, confirm aircraft availability, and negotiate contracts, making it difficult to secure favorable pricing and terms. Furthermore, these charter agreements typically required executive director approval on very tight timelines.

Several years ago the University used a multi-year RFP bid for air charter services. The resulting contract with Frontier Airlines increased the likelihood of charter availability, streamlined the booking process, and improved the level of service the team received. As a result, the University issued a Request for Proposal (RFP) for a new multi-year contract.

A public, open, RFP was issued in February 2012. Of the four proposals received, three were non-responsive. The successful respondent was Frontier Airlines. A proposed one-year agreement with Frontier for charter air service is attached. The University has the option to renew the agreement for up to four (4) one-year terms under the same terms and conditions as the current agreement.

IMPACT

A six flight schedule for the 2011 season cost the University $512,596. Frontier's pricing for service to the University's five scheduled games within the continental U.S. for 2012 is $494,062. The Hawaii flight will be contracted separately as Frontier does not have the aircraft required for that trip. The average per game cost has increased approximately 15% over last year's cost due largely to fuel prices. Fluctuating fuel expenses and airport security fees in addition to changing schedules and game locations preclude a fixed price bid over the contract term, however, any increase in cost in contract years 2013-2016 will be directly attributed to fuel costs and/or changes in airport security fees.

ATTACHMENTS

Attachment 1 – Proposed agreement Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The contract price is a base amount. Exhibit A to the contract includes a fuel cost escalator clause for each $0.01 per gallon of fuel cost increases from the base fuel price of $3.25

Staff recommends approval.

BOARD ACTION

I move to approve Boise State University's request to enter into an agreement with Frontier Airlines for air charter services for the 2012-2016 football seasons and authorize the Vice President for Finance and Administration to execute the current agreement and renewal agreements through 2016.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

AIRCRAFT CHARTER AGREEMENT
Single Entity Charter

Charterer: **Boise State University** (the "Charterer")

Charterer:	**Boise State University**	**Logistics Contact:**	**Michael Sumpter**
Address:	1910 University Drive Boise, ID 83725	Address:	Same
Phone:	(208) 426-1802	Phone:	(208) 869-5892
		24-Hour Name:	*Christina Van Tol*
		24-Hour Phone:	*(208) 608-6554*

This Single Entity Aircraft Charter Agreement (this "Agreement") is made and entered into between Frontier Airlines, Inc., ("Frontier"), a Colorado corporation, and Charterer. Frontier and Charterer are each a "Party" and may be referred to collectively in this Agreement as the "Parties".

Recitals

1. Frontier is an air carrier holding a valid Federal Aviation Regulations ("FAR") Part 121 Air Carrier Operating Certificate, with authority issued by the Department of Transportation (the "DOT") and the Federal Aviation Administration (the "FAA") to provide domestic and foreign air transportation of persons, property and mail. Frontier operates the Airbus 319 aircraft with 137 single class seats, and the Airbus 320 with 167 single class seats available for a charter flight (the "Aircraft").

2. Charterer wishes to contract with Frontier to operate the Aircraft in connection with the single entity charter flights as described below (individually a "Charter Flight" and collectively the "Charter Flights"), and Frontier is willing to accept this contractual engagement, all in accordance with, and subject to, the terms and conditions described below.

3. Charterer will compensate Frontier for its operation of the Charter Flights under the terms and conditions of this Agreement.

Agreement

NOW, THEREFORE, the parties, each intending to be legally bound, agree as follows:

1. Order of Precedence. This Agreement incorporates by reference the following documents:

    a. Request for Proposal MC12-115; includes the State of Idaho Standard Contract Terms and Conditions;
    b. Frontier's Response to the Request for Proposal;
    c. Scope of Work Proposal.

    Any inconsistencies between or among this Agreement and any of the above incorporated documents will be decided in the following order of precedence:

    a. Request for Proposal MC12-115; includes the State of Idaho Standard Contract Terms

Initial: ____

and Conditions;

b. Frontier's Response to the Request for Proposal;

c. Scope of Work Proposal;

d. This Agreement.

1. **Agreement to Perform Charter Services**. Beginning on April 25, 2012 and through the date of the last Charter Flight (the "Term"), unless otherwise terminated under this Agreement, Frontier will provide Charterer with the Charter Flights. This Agreement may be terminated by either Party, with or without cause, at any time upon not less than ninety (90) days' written notice. Except for obligations accruing prior to the effective date of termination, such termination will be with no liability whatsoever to either Party except as expressly provided herein.

2. **Charter Services**. Frontier hereby agrees that during the Term it will provide or perform the following air services and related services for and on behalf of Charterer (collectively, the "Charter Services"):

a. Frontier will employ and provide pilots and flight attendant crew members to operate the Aircraft on all Charter Flights with each crewmember to be duly trained and qualified to perform their specified function on the Aircraft in accordance with applicable law.

b. Frontier will arrange for all operating services including, fuel, oil, maintenance, ground service for passenger and aircraft handling, deicing, and aircraft parking. Frontier will make arrangements for (and obtain) all traffic rights, computerized flight planning services, weather services and briefings, and dispatch and flight following services as may be required for any of the Charter Flights.

c. Frontier will provide catering for the Charter Flights as described in Exhibit A. The cost for this catering is included in the Charter Flight Cost described in Section 3.b.

d. Charterer is responsible for all other costs, including costs for ground transportation at the place of departure and destination, costs of visa, applicable passenger surcharges, customs duties and other taxes, user fees, and the following costs:

(i) airport service charges for passengers such as head taxes and embarkation charges payable in connection with the passengers or baggage transported hereunder;
(ii) Customs, INS, and APHIS fees;
(iii) duties and other government taxes and fees payable in connection with the passengers or baggage transported hereunder, including the U.S. International Departure Tax, as applicable; and
(iv) all other government inspection fees and charges, transportation taxes, and security charges payable in connection with the passengers or baggage transported hereunder.

e. Frontier will have the sole and exclusive responsibility for (i) the safe and proper use and operation of the Aircraft in accordance with this Agreement and applicable law, including Part 121 of the FARs and other applicable regulations of the DOT, and (ii) for properly insuring the Aircraft and its respective operations in accordance with this Agreement and for complying with the terms of this Agreement and the insurance policies. Any other allocation of responsibility in this Agreement relates solely to the responsibility to pay for the expense of performing the particular function and does not lessen Frontier's responsibility for the operation and safety of the Aircraft. Notwithstanding any provision to the contrary, the parties agree and understand that Frontier shall have full control and authority for the operation and maintenance of the Aircraft.

3. Flight Schedule and Payment Schedule

a. Flight Schedule. During the Term, Frontier will perform the flight operations described in the Flight Schedule attached to this Agreement as Exhibit A (the "Flight Schedule"). Frontier will be responsible for notifying airport officials if the Flight Schedule is adjusted. Frontier will have final authority for approving any adjustments to the Flight Schedule.

b. The cost for the Charter Flights is **$494,062 (LAN- $128,171; ABQ- $82,328; PIB- $130,851; LAR-$72,963; RNO-$79,749)** (the "Charter Flight Cost"), based on a fuel price of **$3.25** per gallon. Frontier will adjust the Charter Flight Cost according to the Fuel Escalation Charge described in Exhibit A. Charterer agrees to pay the entire Charter Flight Cost and represents that none of the passengers are paying, or will pay, directly or indirectly, any part of the Charter Flight Cost. The Charterer agrees to pay all applicable user fees, government taxes, passenger surcharges, or any applicable taxes to fuel escalations not already included in the Charter Flight Cost. If Charterer's actions

Initial: ______

or failure to act result in, or Charterer requests, any deviations from the Flight Schedule, Frontier may adjust the Charter Flight Cost for any additional costs associated with the deviation. If there are costs or fees Charterer owes to Frontier in addition to the Charter Flight Cost, Frontier will submit to Charterer these additional fees for payment not later than forty-five (45) days after completion of the Charter Flights and Charterer will pay these invoices within thirty (30) days of the invoice date.

c. Escrow: Upon signing this Agreement or ninety (90) days prior to the first flight segment of the Charter Flights, whichever is later, Charterer will deposit 20% of the Charter Flight Cost into Frontier's escrow account described below. At least seven (7) business days prior to the first flight segment of the Charter Flights, Charterer will deposit into Frontier's escrow account the remaining amount of the Charter Flight Cost. The escrowed funds will be held in the escrow account until at least five (5) business days following the completion of a particular Charter Flight or segment of the Charter Flight(s), at which time the portion of funds applicable to the particular Charter Flight or segment of the Charter Flight(s) will be released to Frontier. This release of the escrow funds to Frontier will occur without further notification to, or approval by, the Charterer. If the Charterer wants to dispute the release of the escrowed funds to Frontier, the Charterer must notify Frontier in writing of any dispute within five (5) business days after completion of the particular Charter Flight or segment, including the amount of escrow funds in dispute. Frontier will maintain in its escrow account funds equal to the amount in dispute pending resolution of the dispute.

d. Payment/Wire Transfer Information:

Colorado Business Bank
821 17th St
P O Box 8779
Denver, CO 80201

ABA 102003206
Acct # 34051411
Attention: Frontier Airlines, Inc.
***Please reference the Name on the Contract, City Pair, or Date of Travel when submitting the wire transfer.**

4. Condition of Aircraft

a. The seating of the Aircraft shall consist of 137 or 167 Coach Seats. Passengers will have access to the LiveTV system at no additional charge.

b. The Aircraft shall have a maximum payload capacity of not less than 31,000 pounds and a volumetric capacity of not less than 975 cubic feet.

c. Frontier may substitute aircraft of similar type or of another Part 121 carrier or carriers with at least the same number of seats as the Aircraft; provided, however, the Charter Flight Cost is not higher than the Charter Flight Cost for the Aircraft originally chartered.

5. Aircraft Operation. With respect to the operation of the Aircraft, the parties acknowledge and agree as follows:

a. Operational Control and Cooperation. It is understood and agreed that Frontier shall have full and complete operational control of the Aircraft and will operate the Aircraft consistent with FAA and manufacturer requirements. Frontier shall be solely responsible for compliance with all applicable FAA regulations in connection with the operation of the Aircraft. Accordingly, Frontier shall have authority to determine, *inter alia*, whether a particular flight may be safely operated, to assign crews for particular flights, to dispatch and release flights, to direct crew and to initiate and terminate flights.

b. Flight Control by Captain. The pilot in command of the Aircraft shall have the full control and authority over the operation of the Aircraft and the crew during the flight. The pilot in command may take all necessary measures to ensure safety, including decisions concerning loading, load, deviations from planned routes, and where alternate intermediate landings may be made.

c. Flight Delays. If Frontier reasonably knows of upcoming flight delays of any kind, Frontier will use commercially reasonable efforts to notify Charterer or its agent. Departure times are subject to change based on aircraft routing, airport gate space, weather conditions and other operational factors. Each party shall use its best efforts to cause on-time departures. Frontier shall use reasonable efforts to commence or complete transportation within 15 minutes of scheduled times or according to any specific schedule described in this Agreement, provided, however; Frontier shall not be held liable for failure to do so unless the failure to complete transportation in a timely manner is due to the gross negligence or willful misconduct of Frontier.

d. Permits and Consents. Frontier's obligation to perform the Charter Flights hereunder shall be contingent upon and subject to the prior issuance and receipt of such governmental consents, clearances, permits and operating authorities as may be necessary or appropriate for the lawful operation of the Charter Flights, including landing, transit, over flight and uplift rights. If any government or governmental agency or body shall fail or refuse to issue or grant any of the approvals, clearances, permits or operating authorities sufficiently in advance of any departure of any Charter Flight or shall, after issuance, revoke, rescind or threaten to revoke or rescind the same, Frontier may elect to cancel the Charter Flight or Charter Flights so affected without liability to Frontier.

6. Aircraft Charter Provisions. With respect to the Charter Flights, the parties agree as follows:

a. Compliance by Charterer and Passengers. Charterer shall comply with and require all passengers and prospective passengers carried or to be carried on any of the Charter Flights to observe and comply with all applicable laws, regulations, and Frontier policies. Charterer is responsible for notifying all potential passengers of the captain's right to remove passengers from the Aircraft and for notifying passengers of items that cannot be carried on the Aircraft. This Agreement is solely between Charterer and Frontier, and no passenger or any other third person or entity shall be deemed a party hereto or have any rights hereunder. If Charterer (or its employees or representatives) or any passenger on any Charter Flight fails or refuses for whatever reason to observe any applicable laws, Frontier shall have the right, in its sole discretion, to take such action as may be necessary to avoid a violation of the law, including canceling the Charter Flight affected by such failure or refusal, all without liability of any kind to Charterer or any other person or entity. In Frontier's sole discretion, Frontier may refuse to transport any passenger if such refusal is deemed necessary for the reasonable safety or comfort of the other passengers or such refusal is the result of such passenger creating any hazard or risk to other persons or property, or violating any applicable laws. In the event of any such refusal, Frontier shall not be required to refund any prices, fees, charter or other sums paid or payable hereunder by Charterer, nor shall Frontier have any liability to the passenger not transported.

b. Contract of Carriage. Except as expressly addressed in this Agreement, Frontier's Contract of Carriage applies to Frontier's air transportation provided under this Agreement, including limitations on liability described in the Contract of Carriage. The current copy of Frontier's Contract of Carriage is available at http://www.frontierairlines.com/frontier/pdf/Contract_of_Carriage.pdf. If there is a conflict between the terms of the Contract of Carriage and this Agreement, this Agreement will prevail.

c. Passenger Manifests and Boarding. Charterer will be responsible for arranging passenger manifests in accordance with all applicable regulations, laws, and policies of any governmental agency or Frontier. At least 72 hours prior to departure (with any updates at least 24 hours prior to departure) Charterer must furnish Frontier with a list, in alphabetical order, of all passengers to be carried on each Charter Flight. Frontier will process the passenger list under the Transportation Security Administration regulations, including the "no-fly" and "watch" list programs. Charterer shall make all necessary arrangements to ensure the arrival of passengers and availability of baggage for embarking and loading (90) minutes prior to the departure times indicated in the Flight Schedule. Frontier will accommodate only passengers Charterer designates and that are included on the flight manifest. Frontier shall be under no obligation to delay any portion of a Charter Flight in the event of non-arrival or late arrival of passengers or baggage or other acts or omissions of the Charterer, its employees, agents or passengers. Frontier will not refund any portion of the Charter Flight Cost for passengers who do not board the Charter Flight or who are not at the specified check-in point at least thirty (30) minutes prior to the scheduled departure of the Charter Flight.

d. Logistics Contact. The "24-Hour Name and Phone" designation identified beneath the Logistics Contact on page one (1) is intended for use in the event of "an unforeseen combination of circumstances or the result of such circumstances that require notification of related parties affected by such circumstances." Frontier requires the name and phone number of a 24-hour contact that can provide "emergency contact information" within 90 minutes of an incident. This person may not travel on the charter.

e. International Travel. Each charter passenger desiring transportation across any international boundary shall be responsible for obtaining all necessary travel documents (including passports, visas, and vaccination certificates) and for complying with the laws of each country from, through, or to which it desires transportation and, unless applicable laws provide otherwise. Frontier shall not be liable for any aid or information given by its agents, servants, or employees to Charterer or any charter passengers in connection with obtaining such documents or complying with such laws, whether given orally or in writing, or otherwise, or for any damages to Charterer or charter passenger resulting from its failure to obtain such documents or comply with such laws.

f. Prohibited, Hazardous and Perishable Materials. Charterer shall not knowingly accept or transport any prohibited, hazardous or perishable materials, nor shall Frontier be required to transport the same on any Charter Flight. Prohibited material includes any item prohibited for carriage by governmental regulation. Hazardous material is any matter that may endanger health, safety or property. Perishable material is anything, including live animals, and other objects that may deteriorate and thereby lose value, create a health hazard, or cause a nuisance. Charterer shall notify its prospective passengers that prohibited, hazardous or perishable materials may not be carried.

g. Insurance.

i. Frontier shall, at its sole cost, carry and maintain insurance coverage in not less than the amounts and containing the provisions and upon the terms and conditions set forth below:

(a) Airline liability insurance, including bodily injury (including, without limitation, to passengers) and property damage liability with a combined single limit of not less than Five Hundred Million United States Dollars (US $500,000,000.00) each occurrence/aggregate, where applicable, protecting Charterer and its officers, directors, employees, and representatives, from all claims that may arise from or out of any act or omission of Frontier and its officers, directors, agents, employees or assigns, in connection with this Agreement. Such insurance policies shall include cross liability and a clause stating that such insurance is primary with respect to the coverages provided thereby and all aircraft and/or substitute and/or replacement aircraft used by Frontier in connection with this Agreement (the "Aircraft") and shall not be contributory with or excess over any insurance carried by Charterer, or its directors, officers, employees and representatives with respect to such coverages, and

(b) Workers' compensation insurance as required by applicable law and employer's liability insurance with minimum limits of One Million Dollars ($1,000,000) per occurrence.

ii. Charterer is an agency of the State of Idaho and the State of Idaho, Boise State University, its officials and employees are self-insured under the provisions of the Idaho Tort Claims Act. Charterer is a "governmental entity," as defined under the Idaho Tort Claims Act, specifically, Idaho Code section 6-902, as well as a "public employer," as defined under the Idaho Worker's Compensation law, specifically, Idaho Code section 72-205. As such, Charterer shall maintain, at all times applicable hereto, comprehensive liability coverage in such amounts as are proscribed by Idaho Code section 6-924 (not less than $500,000), as well as worker's compensation coverage for its employees, as required under Idaho Code Section 72-301. Charterer liability coverage shall cover the actions of Charterer and its employees, agents, students, and faculty while acting in the course and scope of employment or as students of Charterer in performing actions related to the Program. Charterer's liability coverage obligations shall be administered by the Administrator of the Division of Insurance Management in the Department of Administration for the State of Idaho, and may be covered, in whole or in part, by the State of Idaho's Retained Risk Account, as provided under Idaho Code Section 6-919. Charterer shall cover its liability for worker's compensation through the State of Idaho's State Insurance Fund, as provided under Idaho Code section 72-301.

h. Unused Space. To the extent not inconsistent with any governmental regulation or order, Frontier may use any unused space on a Charter Flight for the carriage of mail, cargo, and/or personnel and property, without diminution of the Charter Flight Cost agreed to herein. Charterer agrees that Frontier, at its option, may permit the use of any unused space on any of the Charter Flights by Frontier personnel on the same terms and conditions as are applicable to travel by such personnel on Frontier's scheduled service. The term "unused space" as used in this paragraph does not include seats which Charterer, in its discretion, makes available on a free or reduced rate basis to its employees, directors or officers or the parents and immediate family of such persons or for any reasonable business purpose.

i. Miscellaneous Charter Provision.

i. Charterer will comply with all valid requirements imposed upon Frontier pertaining to security in connection with any of the Charter Flights, including all TSA rules and regulations.

ii. Charterer acknowledges that it shall be solely responsible to participants for furnishing all services set forth in any solicitation material distributed in connection with Charterer's charter program.

iii. Charterer acknowledges that Frontier will not allow an unaccompanied minor (below the age of 18) to board a Charter Flight and that Frontier will not carry any live animals on any Charter Flight, other than service animals defined in the applicable FARs.

iv. Charterer shall be responsible for requiring that all flight participants comply with all conditions of this Agreement and Charterer shall also be responsible for all damages by flight participants to the property of Frontier excepting reasonable wear and tear.

7. Cancellations.

a. If any Charter Flight or Charter Flights are cancelled at the request of Charterer or are canceled by Frontier due to Charterer's failure to comply with the terms of this Agreement, including Charterer's failure to comply with applicable DOT regulations, Charterer agrees to pay to Frontier as liquidated damages (but not as a penalty), a cancellation charge as follows:

i. When the Charter Flight is cancelled within thirty (30) days or less before the Charter Flight is scheduled to commence from point of origin, Charterer will pay 100% of the Charter Flight Cost.

ii. When the Charter Flight is cancelled more than thirty (30) days, but less than sixty (60) days before the Charter Flight is scheduled to commence from point of origin, Charterer will pay 50% of the Charter Flight Cost.

iii. When the Charter Flight is cancelled more than sixty (60) days, but less than ninety (90) days before the Charter Flight is scheduled to commence from point of origin, Charterer will pay 20% of the Charter Flight Cost.

iv. When the Charter Flight is cancelled more than ninety (90) days before the Charter Flight is scheduled to commence from point of origin, Charterer will not pay any of the Charter Flight Cost.

b. If Frontier improperly cancels a Charter Flight, Frontier's sole liability and Charterer's exclusive remedy shall be to obtain a refund of the escrowed Charter Flight Cost allocated to the un-flown Charter Flight.

8. Force-Majeure Failure. If Frontier fails to perform, delays, or substitutes an aircraft for, a Charter Flight, in each case due to any event or condition causing similar failure or delay at the same location by commercial airlines generally (including governmental or airport laws, regulations or orders, air-traffic restrictions, acts of God, terrorism, strikes, lockouts, riots, civil disobedience, national emergencies, unavailability of fuel, weather or any other events beyond Frontier's reasonable control), Frontiers sole liability and Charterer's exclusive remedy shall be to obtain a refund of the escrowed funds allocated to the unflown Charter Flight or segment.

9. Special Provisions for State University.

a. The Parties understand and agree Charterer is, or is acting on behalf of a State University, and that while Charterer is responsible for its negligent acts or omissions, nothing contained in this Agreement shall be construed as

i. an express or implied waiver of the governmental immunity of Charterer or the State governmental entity;

ii. an express or implied acceptance of by Charterer of liabilities arising as a result of actions which lie in tort or could lie in tort in excess of liabilities allowable under applicable State law;

iii. a pledge of the full faith and credit of the State;

iv. Charterer's assumption of a debt, contract, or liability on behalf of Frontier in violation of applicable State law.

b. Omitted.

10. **Events of Default**. The parties agreement that the following events or condition shall each constitute an Event of Default under this Agreement:

a. Non-Payment. If either party fails to make any payment to the other party, when due, under the terms of this Agreement, if such failure continues for a period of five days after written notice thereof from the other party. If Charterer fails to make any Escrow Payment or to provide an applicable bond as required by the DOT with respect to the Charter Flights, Frontier will cancel the affected Charter Flights and may terminate this Agreement immediately upon notice to Charterer.

b. Breach. If Charterer or Frontier shall fail to comply with any provision, other than subsection a addressed above, of this Agreement and if such failure continues for a period of 30 days after written notice from either Charterer or Frontier to the other party, provided however, if the correction of such breach cannot be completed within the 30 day period and the party correcting such breach shall have started substantial performance within the 30 day period and its completion can be anticipated within a commercially reasonable period of time, the 30 day period shall be extended.

c. Bankruptcy. A party consents to the appointment of a custodian, receiver, trustee or liquidator of itself or all or a material part of its property or a party admits in writing its inability to, or is unable to, or does not, pay its debts generally as they come due, or makes a general assignment for the benefit of creditors, or a party files a voluntary petition in bankruptcy or a voluntary petition seeking reorganization in a proceeding under the bankruptcy laws or insolvency laws now or hereinafter existing or an answer admitting the material allegations of a petition filed against a party in any such proceeding, or a party by voluntary petition, answer or consent seeks relief under the provisions of any other bankruptcy, insolvency or other similar law providing for an agreement, composition, extension or adjustment with its creditors, or any action is taken in furtherance of any of the foregoing, whether or not the same is fully effected or accomplished, or an involuntary petition against a party in a proceeding under the United States Federal bankruptcy laws or any foreign insolvency laws (as now or hereafter existing) is filed and is not withdrawn or dismissed within thirty (30) days thereafter.

d. Force Majeure. Notwithstanding the foregoing, an Event of Default other than a payment default shall be deemed not to have occurred if the party's failure to perform or on account of any delay in performance of any obligation under this Agreement, is due in whole or in part to a Force Majeure act or event.

11. **Remedies Upon Event of Default**. Upon the occurrence of any Event of Default, the non-defaulting party shall, in its sole discretion, have the right to exercise any and all rights and remedies available to it arising under this Agreement or otherwise existing at law and/or in equity, including the right to terminate this Agreement, recover damages, and seek such other relief as may be appropriate under the circumstances. All remedies available to the non-defaulting party shall be cumulative and resort to any one remedy shall not preclude or adversely affect the resort to other or further remedies, howsoever existing. Neither party shall be liable to the other on account of any failure to perform or on account of any delay in performance of any obligation under this Agreement, if and to the extent such failure or delay shall be due to a Force Majeure act or event.

12. **No Assignment**. The parties agree that neither party shall have the right to assign this Agreement or any rights hereunder, or to delegate any duties, obligations, liabilities or responsibilities arising hereunder, to any other person or entity, without the prior written consent of the other party, which consent will not be unreasonably withheld. The parties agree that Frontier may assign certain ground handling and ground service duties to third party providers.

13. Notices. All notices, requests, demands, consents and other communications (each, a "Notice") hereby shall be in writing and may be given by hand, telecopier, FedEx or other reputable overnight air courier or U.S. Certified or Registered Mail, return receipt requested, at the respective address or facsimile number of the addressee as set forth in this Agreement. Any Notice given in accordance with this Section shall be deemed given and effective for all purposes hereof, as follows:

To: Frontier	Frontier Airlines Attn: Alane Anderson 7001 Tower Road Denver, CO 80249 (facsimile) 720-374-9313 Alane.Anderson@FlyFrontier.com
To: Charterer	contact information listed above.

14. Waiver of Consequential Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY OTHER PERSON FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES SUFFERED IN ANY CONNECTION WITH THIS AGREEMENT, HOWSOEVER CAUSED AND REGARDLESS OF THE FORM OR CAUSE OF ACTION, AND EVEN IF SUCH DAMAGES ARE FORESEEABLE OR THE OTHER PARTY OR PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The Parties acknowledge that they have negotiated the terms of this Article and agree that these terms constitute essential, bargained for conditions of this Agreement.

15. Miscellaneous.

a. Omitted.

b. Waiver. The failure of any party to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this Agreement shall not be construed as a waiver or a relinquishment of any right or claim granted or arising hereunder, or of the future performance of any such term, covenant, or condition, and such failure shall in no way effect the validity of this Agreement or the rights and obligations of the parties hereto. Additionally, no waiver of any breach of this Agreement shall be a waiver of any subsequent breach.

c. Entire Agreement. This Agreement, and all incorporated documents, attachments or exhibits hereto or thereto, supersedes all prior communications, agreements, representations or understanding between the parties, oral or written, with respect to the same subject matter, and fully sets forth the understanding of the parties.

d. Arbitration. Any dispute, controversy or difference arising between the parties out of or with respect to the performance, interpretation, or application of this Agreement, or the respective rights and liabilities of the parties hereunder, and which cannot be agreed upon amicably between the parties, shall be referred to arbitration to be conducted pursuant to the provisions of the Commercial Arbitration Rules of the American Arbitration Association as applicable to the settlement of commercial disputes. The parties may agree on the selection of a single arbitrator, but if they cannot agree, each party shall select an arbitrator and the two selected arbitrators shall select a third arbitrator. The cost of the arbitration proceeding shall be borne equally between the parties unless the arbitration panel otherwise determines. The decision of the arbitrator(s) shall be final and binding upon the parties, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. The prevailing party shall be entitled to reimbursement of all costs and expenses incurred, including reasonable attorneys' fees.

e. No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any third party other than the parties to this Agreement and their respective successors and assigns.

f. Survival. All rights, remedies and obligations of the parties hereto existing at the time of the expiration or termination of this Agreement shall survive such termination or expiration.

g. Relationship. It is understood and agreed by the Parties that this Agreement does not create an employment relationship between them, that Charterer is an independent contractor, and that nothing in this Agreement is intended to make either Party a subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. Frontier is an independent contractor and has no relationship with Charterer other than a vendor/vendee relationship. The employees of each Party providing the services under this Agreement remain the employees of each Party. There is no joint employer relationship and each Party shall make all decisions as to hiring and supervising their respective employees. Each Party shall be liable and shall indemnify, defend and hold the other harmless for all taxes and benefits arising from the employment of their respective employees involved in the performance of the services hereunder.

h. Confidentiality. The parties hereto acknowledge and agree that the provisions of this Agreement, including the pricing and cost provisions hereof, are secret and highly confidential. Accordingly, Charterer agrees that it will not reveal or disclose any of the commercial terms of this Agreement to any present or future competitor of Frontier without the prior written consent of Frontier, except as otherwise required by law or except to the extent necessary to enforce any of the terms or conditions of this Agreement. Frontier also agrees that it will not reveal or disclose any of the commercial terms of this Agreement to any present or future competitor of Charterer without the prior written consent of Charterer, except as otherwise required by law or except to the extent necessary to enforce any of the terms or conditions of this Agreement.

i. Rules of Interpretation. The following rules of interpretation apply to the Agreement:

i. the word "or" is not exclusive and the words "including" or "include" are not limiting;
ii. the words "hereby," "herein," "hereof," "hereunder" or other words of similar meaning refer to the entire document in which it is contained;
iii. a reference to any agreement or other contract includes permitted supplements, amendments and restatements;
iv. a reference to singular includes plural and vice-versa and each gender includes the other; and
v. a reference to days, months, or years refers to calendar days, months, and years, unless business days are specified.

j. Execution of Agreement and Counterparts. Each person executing this Agreement on behalf of the party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder. This Agreement may be executed (by original or facsimile signature) in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same Agreement.

k. Modifications or Amendments. Modifications and amendments to this Agreement shall be in writing and signed by a duly authorized representative of each party.

l. Severability. Any term or provision of this Agreement, which is held to be invalid, illegal, unenforceable or void, will in no way affect any other term or provision.

m. Equal Employment Opportunity. It is the policy of F9 to give equal opportunity to all qualified persons without regard to race, age, color, religion, sex, marital status, handicap, or national origin, in accordance with the Affirmative Action Clauses for Executive Order 11246, as amended, Section 503 and 38USC2012, as amended; as required by 41 CFR 60-1.4 ,60-250.4 and 60.741.4.

n. The Charterer may not maintain nor provide for its passengers and employees any segregated facilities. The term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, cafeterias, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains and recreational areas, in accordance with 41 CFR 60-1.8.

IN WITNESS WHEREOF, this Agreement is duly executed and delivered by an authorized representative of each of the parties as of the date first written above.

FRONTIER AIRLINES, INC.	CHARTERER
______________________	______________________
Signature	Signature
Name: Gregory Aretakis	Name: ____________
Title: V.P., Network & Revenue	Title: ____________
Date: ________	Date: ________

Exhibit A

A. **CATERING:** Frontier will provide the following catering on the Charter Flights:
Athletic Beverages and Power Bars

B. **FLIGHT SCHEDULE**

Date Mo/Day/Yr	DOW	Routing	Departure (Approx)	Aircraft
30AUG12	THU	BOI-LAN	TBD	A-320
31AUG12	FRI	LAN-BOI	TBD	A-320
28SEP12	FRI	BOI-ABQ	TBD	A-319
29SEP12	SAT	ABQ-BOI	TBD	A-319
05OCT12	FRI	BOI-PIB	TBD	A-320
06OCT12	SAT	PIB-BOI	TBD	A-320
26OCT12	FRI	BOI-LAR	TBD	A-319
27OCT12	SAT	LAR-BOI	TBD	A-319
23NOV12	FRI	BOI-RNO	TBD	A-319
24NOV12	SAT	RNO-BOI	TBD	A-319

C. **Fuel Escalation Charge**: The Charter Flight Cost will increase **according to the matrix below** for each $0.01 per gallon fuel cost increase from the base fuel cost of **$3.25**.

LAN	**$123**
ABQ	**$76**
PIB	**$124**
LAR	**$58**
RNO	**$72**

D. **Boarding/Security Option**: The Charter Flight Cost contained in the contract includes plane-side boarding in BOI and private security screening, as well as FBO services at destinations.

Initial: _____

A.

Request for Proposal MC12-115:

includes the State of Idaho Standard Contract Terms and Conditions

BOISE STATE UNIVERSITY

REQUEST FOR PROPOSAL

RFP #MC12-115

Air Charter
Boise State University
Football

Issue Date February 22, 2012

TABLE OF CONTENTS

1. RFP Administrative Information

RFP Title:	Air Charter
RFP Project Description:	It is the intent of Boise State University to receive proposals from qualified Airlines to provide Air Charter Services to destinations as required for the Boise State University football team. The University will utilize the Boise, ID (BOI) airport for all departures and arrivals. **(Proposals from Airline Brokers will not be accepted).**
RFP Lead:	Mike Carr Senior Buyer 1910 University Drive mikecarr@boisestate.edu Phone: 208-426-1802 Fax: 208-426-1152
Pre-Proposal Teleconference:	Tuesday February 29, 2012 from 9:00 – 10:00 Mountain Time
Location:	RSVP to RFP lead for location and contact information.
Deadline To Receive Questions:	March 8, 2012, 5:00 Mountain Time
Anticipated Release of Answers to Questions:	March 13, 2012
RFP Closing Date:	March 27, 2012, 5:00 Mountain Time
RFP Opening Date:	10:30 a.m. Mountain Time the following work day after closing.
Validity of Proposal	Bid proposals are to remain valid for ninety (90) calendar days after the scheduled RFP opening date. Proposals submitted with a validity period of less than this will be found nonresponsive and will not be considered.
Initial Term of Contract and Renewals:	The initial term is for one year with up to four (4) one year renewals at the University's option, not to exceed a total of five (5) years. Terms and conditions during any renewal year will remain the same as the original contract. At the time of renewal, if any, the contract costs may be renegotiated

1.1 A non-mandatory pre-proposal teleconference will be held at the location and time as indicated in Section 1, page 2 of this RFP. This will be your opportunity to ask questions of the University staff. All interested parties are invited to participate. **Those choosing to participate must pre-register via email with the RFP lead to receive meeting details.** This conference will be used to explain, clarify, or identify areas of concern in the RFP. Those asking questions during the pre-proposal conference will be asked to submit those questions to the University in writing by the designated "Deadline to Receive Questions" period as indicated in Section 1, page 2 of this RFP. For simplicity's sake, offerors are strongly encouraged to submit just one, final set of questions, after the pre-proposal conference but prior to the question deadline, rather than multiple sets of questions. Any oral answers given by the University during the pre-proposal conference are to be considered unofficial. Phone lines are limited so calling from conference lines is appreciated.

1.2 All questions must be submitted to the RFP Lead by the date and time noted above. Questions must be submitted using Attachment 1 via email to the RFP Lead at the address listed above. Official answers to all questions will be posted on the University's website as an amendment as indicated in Section 1, page 2 of this RFP.

Questions regarding the State of Idaho Standard Contract Terms and Conditions found at http://adm.idaho.gov/purchasing/purchasingrules.html and incorporated in this RFP by reference must be submitted by the deadline to receive questions from the offeror, stated on Section 1, page 2 of the RFP. The University will not negotiate these requirements after the date and time set for receiving questions. Questions regarding these requirements must contain the following:

1.2.1 The term or condition in question;

1.2.2 The rationale for the specific requirement being unacceptable to the offeror (define the deficiency);

1.2.3 Recommended verbiage for the University's consideration that is consistent in content, context, and form with the University's requirement that is being questioned; and

1.2.4 Explanation of how the University's acceptance of the recommended verbiage is fair and equitable to both the University and the offeror.

Proposals received that qualify the offer based upon the University accepting other terms and conditions **not found in the RFP or which take exception to the University's terms and conditions** will be found non-responsive, and no further consideration of the proposal will be given.

1.3 Proposal opening will be held at the location and time as indicated in Section 1, page 2 of this RFP. All offerors, authorized representatives and the general public are invited, at their own expense, to be present at the opening of the proposals. During the proposal opening only the names of the vendors will be provided.

2. (M) INSTRUCTIONS FOR SUBMISSION OF PROPOSALS

2.1. Any qualified vendor may submit a proposal. All vendors are qualified unless disqualified. Those offerors presently on the General Service Administration's (GSA) "list of parties excluded from federal procurement and non-procurement programs" may be disqualified. Vendor information is available on the Internet at: http://epls.arnet.gov

2.2. Proposals must demonstrate that offerors have the ability to complete the described functions of this RFP.

2.3. In order to be considered for award, the sealed proposal must be delivered to the place specified, no later than the date and time specified in Section 1 of the RFP.
A proposal received at the office designated in this RFP after the RFP closing date and time will not be accepted. No late proposals will be accepted.

2.4. The proposal must be submitted with the University–supplied signature pages which must contain an **ORIGINAL HANDWRITTEN** signature executed in BLUE **INK** and be returned with the relevant Solicitation documents. **PHOTOCOPIED SIGNATURES** or **FACSIMILE SIGNATURES** are **NOT ACCEPTABLE.**

2.4.1 The proposals must be addressed to the RFP Lead and clearly marked "CONTRACT PROPOSAL – RFP - MC12-115 Air Charter.

2.4.2 Each proposal must be submitted with one (1) original and three (3) copies of the Business and Scope of Work Proposal and one (1) original and one (1) copy of the Cost Proposal and Billing Procedures.

2.4.3 In addition, offerors must submit one (1) electronic copy of the proposal on CD or USB device. Word or Excel format is required. The only exception will be for financials or brochures. The format and content must be the same as the manually submitted proposal. The electronic version must NOT be password protected or locked in any way. Please attach the CD or USB device to the original version of the Business and Scope of Work Proposal.

2.4.4 Submit one (1) electronic, redacted copy of the Business and Scope of Work Proposal, on CD or USB device, with all trade secret information removed or blacked out, as described in Paragraph 32, "Public Records," State of Idaho's SOLICITATION INSTRUCTIONS TO VENDORS. The electronic file name should contain the word "redacted." This is the copy of the offeror's proposal which will be released under Idaho's Public Record Law, if the proposal is requested. The redacted copy of the Business and Scope of Work Proposal must be an exact copy of the Business and Scope of Work Proposal regarding trade secret information. The original proposal and redacted proposal may be submitted on the same CD or USB device.

2.4.5 The proposal must be separated into two (2) distinct sections:
Business and Scope of Work Proposal, and
Cost Proposal.

2.4.6 The Business and Scope of Work Proposal must be sealed, identified "Business and Scope of Work Portion of Proposal – RFP #MC12-115 Air Charter and include a cover letter (see section 4.3)

2.4.7. The Cost Proposal must be sealed, identified "Cost Portion of Proposal – RFP # MC12-115 Air Charter

2.5 **(M) INSURANCE**

2.5.1 The Contractor will carry an insurance policy with minimum CSL liability (Bodily Injury & Property Damage) limits of $300 million dollars per occurrence with Boise State University and the State of Idaho to be named as additional insured's on the contractor's Aircraft liability policy. The insurance company providing the insurance certificate must have an insurance company rating of A- or higher by either A.M. Best or Standard and Poor's rating bureaus.

2.5.2 All insurers shall have an "AM Best" rating (or equivalent) of A- or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Certificate Holder may choose to maintain.

2.5.3 Certificate Holder and Additional Insured shall read:
State of Idaho and Boise State University
Attn: Risk Management
1910 University Drive
Boise, ID 83725

The University reserves the right to have the original insurance certificates provided upon request. If the original document is requested, a contract will not be signed until it is received.

2.6. No verbal proposals or verbal modifications will be considered. An offeror may modify its proposal in writing prior to the RFP closing time. A written modification must include the date and signature of the offeror or its authorized representative.

2.7. All costs incurred in the preparation and submission of a proposal in response to this RFP, including, but not limited to, offeror's travel expenses to attend the pre-proposal conference, proposal opening and presentation or negotiation sessions, must be the sole responsibility of offerors and will not be reimbursed by the University.

2.8. An appeal by a vendor of a bid specification, a non-responsiveness determination, or the award of a bid is governed by the Boise State University Purchasing Appeals Process, and must be filed in accordance with that process, which can be found on the Internet at http://www.boisestate.edu/finad/purchasing/docs/purchasingappealsprocess.pdf

2.9. The offeror must complete the attached Signature Page provided with the RFP, and submit with its proposal.

3. TERMS OF PROCUREMENT PROCESS

3.1. To be considered responsive, offerors should adhere to all requirements of this RFP. The determination of whether a proposal is responsive is a determination made solely by the University. The University reserves the right to waive any nonmaterial variation that does not violate the overall purpose of the RFP, frustrate the competitive bidding process, or afford any offeror an advantage not otherwise available to all offerors.

3.2. Proposals should be submitted on the most favorable terms from both a price and technical standpoint which offerors can propose. The University reserves the right to accept any part of a proposal, or reject all or any part of any proposal received, without financial obligation, if the University determines it to be in the best interest of the University to do so.

3.3. All data provided by the University in relation to this RFP represents the best and most accurate information available at the time of RFP preparation. Should any data later be discovered to be inaccurate, such inaccuracy will not constitute a basis for contract rejection by an offeror or contract amendment.

3.4. All proposal material submitted becomes the property of the University and will not be returned to offeror. Proposals and supporting documentation may be available for public inspection upon written request following the announcement of a contract award, except for information specifically labeled on each separate page as a "trade secret" or other exemption from disclosure under the Idaho Public Records Act, Section 9-340D(1), Idaho Code.

3.5. The proposal submitted by the successful offeror will be incorporated into and become part of the resulting contract. The University will have the right to use all concepts contained in any proposal and this right will not affect the solicitation or rejection of the proposal.

4. PROPOSAL FORMAT

4.1. These instructions describe the format to be used when submitting a proposal. Sections of the format may be listed with an Evaluated Requirement (definition below). Evaluation points may be deducted from the offeror's possible score if the following format is not followed. The format is designed to ensure a complete submission of information necessary for an equitable analysis and evaluation of submitted proposals. There is no intent to limit the content of proposals. The proposal of the successful offeror will be appended to and incorporated into the RFP and the resulting contract or agreement, including the State's Standard Terms and Conditions http://purchasing.idaho.gov/pdf/terms/standard_terms_and_conditions.pdf,. All terms should be reviewed carefully by each prospective offeror as the successful offeror is expected to comply with those terms and conditions, and may be found in breach of contract if terms conflict.

4.2. EVALUATION CODE - The codes and their meanings are as follows:

4.2.1 **(M)** Mandatory Specification or Requirement - failure to comply with any mandatory specification or requirement may render offeror's proposal non-responsive and no further evaluation will occur. Offeror is required to respond to each mandatory specification with a statement outlining its understanding and how it will comply.

4.2.2 **(ME)** Mandatory and Evaluated Specification - failure to comply may render offeror's proposal non-responsive and no further evaluation will occur. Offeror is required to respond to each mandatory and evaluated specification with a statement outlining its understanding and how it will comply. Points will be awarded based on predetermined criteria.

4.2.3 **(E)** Evaluated Specification - a response is desired. If not available, respond with "Not Available" or other response that identifies offeror's ability or inability to supply the item or service. Failure to respond will result in zero (no) points awarded for this item.

4.3. **(M)** COVER LETTER - The Business and Scope of Work Proposal must include a cover letter on official letterhead of the offeror, the offeror's name, mailing address, telephone number, facsimile number, and name of offeror's authorized agent including an email address. The cover letter must identify the RFP Title, bid number and all materials and enclosures being forwarded collectively as the response to this RFP. The cover letter must be signed, in ink, by an individual authorized to commit the offeror to the work proposed. In addition, the cover letter must include:

4.3.1 Identification of the offeror's corporate or other legal entity. Offerors must include their tax identification number. The offeror must be a legal entity with the legal right to contract.

4.3.2 A statement indicating the offeror's acceptance of and willingness to comply with the requirements of the RFP and attachments, including but not limited to the State of Idaho Standard Contract Terms and Conditions http://purchasing.idaho.gov/pdf/terms/standard_terms_and_conditions.pdf,

4.3.3 A statement of the offeror's compliance with affirmative action and equal employment regulations.

4.3.4 A statement that the proposal was arrived at independently by the offeror without collusion, consultation, communication, or agreement with any other offeror as to any matter concerning pricing.

4.3.5 A statement that offeror has not employed any company or person other than a bona fide employee working solely for the offeror or a company regularly employed as its marketing agent, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the contractor or a company regularly employed by the contractor as its marketing agent, any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of this contract. The offeror must affirm its understanding and agreement that for breach or violation of this term, the University has the right to annul the contract without liability or, in its discretion, to deduct from the contract price the amount of any such fee, commission, percentage, brokerage fee, gifts or contingencies.

4.3.6 A statement naming the firms and/or staff responsible for writing the proposal.

4.3.7 A statement that offeror is not currently suspended, debarred or otherwise excluded from federal or state procurement and non-procurement programs.

4.3.8 A statement affirming the proposal will be firm and binding for ninety (90) days from the proposal opening date.

4.3.9 A statement, by submitting its proposal, that the offeror warrants that any contract resulting from this Solicitation is subject to Executive Order 2009-10 [http://gov.idaho.gov/mediacenter/execorders/eo09/eo_2009_10.html]; it does not knowingly hire or engage any illegal aliens or persons not authorized to work in the United States; it takes steps to verify that it does not hire or engage any illegal aliens or persons not authorized to work in the United States; and that any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach and will be cause for the imposition of monetary penalties up to five percent (5%) of the contract price, per violation, and/or termination of its contract.

4.4. **(M)** AMENDMENT CONFIRMATION - If the RFP is amended, the offeror must acknowledge each amendment with a signature on the acknowledgement form provided with each amendment. Failure to return a signed copy of each amendment acknowledgement form with the proposal may result in the proposal being found non-responsive.

4.5 Identify each page of the proposal that contains a "trade secret" per Section 3.4 above. Only those pages identified as "trade secret" or other exemption from disclosure will be exempt from disclosure if the proposal is requested pursuant to the Idaho Public Records Act. All other pages of the proposal will be released without review.

NOTE: If a proposal is marked as "trade secret" in its entirety, it will be considered public record in its entirety, and will be disclosed, if requested.

4.6. TABLE OF CONTENTS - Include in the Business and Scope of Work Proposal a table of contents; adequately identify the contents of each section, including page numbers of major subsections. The Table of Contents is not evaluated, and is for reference purposes only.

4.7. EXECUTIVE SUMMARY - Include in the Business and Scope of Work Proposal an executive summary, which provides a condensed overview of the contents of the Business and Scope of Work Proposal submitted by the offeror, which shows an understanding of the services to be performed. The Executive Summary is not evaluated, and is for summary purposes only.

4.8. BUSINESS INFORMATION

4.8.1 **(E)** Experience: Provide background and history of your company. Describe your company's experience in providing collegiate football air charter and sponsorship agreement service.

4.8.2 (E) **Required information provided as part of your proposal will be evaluated by University.**

4.8.2.1 Boise State University hereby requests in conjunction with this proposal Contractors provide names of contact, position of contact, addresses and phone numbers of contact information of five (5) Division 1 Universities your firm has provided Air Charter and Sponsorship service within the past three years. (All referenced Universities must be located west of the Mississippi river. Failure to receive appropriate references on or before the opening date will result in zero points being awarded for this section.

4.8.2.2 Boise State University reserves the right to request additional references and/or contact any other references that may not have been provided by Contractor. Standard industry reference inquiries shall be utilized during this process.

4.8.2.3 Offerors must follow the instructions in Attachment 2 to obtain those references.

4.8.2.4 For any reference not received by RFP closing date and time, or is outside the three (3) years, the offeror will receive no (zero) points for that particular reference. For any reference determined to be not of a similar nature to the products or services requested by this RFP, the offeror will also receive no (zero) points for that particular reference. Offerors may email the RFP Lead prior to the reference submittal deadline to verify receipt of references.

5. SCOPE OF WORK

Use this proposal outline as part of your response to the RFP, and identify it as Appendix A – Scope of Work. Keep in mind, the evaluators will be evaluating on the methodologies proposed and the completeness of the response to each of the services listed below.

5.1 **(M)**GENERAL REQUIREMENTS – The requirements listed below must be adhered to by the successful offeror at all times during the life of the contract. The offeror must provide written acknowledgement they agree with and will adhere to these requirements.

5.1.1 University Marks - Boise State University's registered trademarks, as well as other names, seals, logos, college colors and other indicia ("University Marks") that are representative of the University may be used solely with permission of Boise State University. Notwithstanding the foregoing, the University logo may be used in the RFP response for illustrative purposes only. No use may be made of University Marks in any document which implies any association with or endorsement of the services of the bidding company or any other third party.

Where indicated, for each of the following, the proposal should address methodologies to be used, pertinent time lines, personnel and other pertinent information in order to implement the Scope of Work successfully to achieve full compliance with all tasks and deliverables. Offerors must identify any information or resources needed from the University in order to perform any of the work.

5.2 (M) <u>DATES, TIMES, AND DESTINATION</u>
5.2.2 Proposal Schedule - see Exhibit 1

5.2.3 All game dates and times are tentative. The University reserves the right to change dates and/or times. A typical season includes 6 charter flights. A finalized schedule will be sent to the successful Contractor 90 days prior to each flight for regular season games. Changes outside the control of Boise State University shall be communicated to Vendor as soon as possible. It is the expectation of Boise State University that the football team will be invited to a post season bowl game. As part of the resulting contract we would like the option of extending this agreement to include a domestic bowl in addition to the regular season at the same rate as the regular season. Notification of participation will typically allow a minimum of two weeks' notice from the time of invitation to actual departure from Boise, Idaho.

5.3. (M)<u>TRAVEL ARRANGEMENTS</u>

5.3.1 Passenger jet aircraft seating 136 passengers from scheduled airlines, with hubs west of the Mississippi river. For the Michigan and Mississippi trips an additional bid is also requested for complying aircraft that seat 160 passengers. 85 players & coaches @ 210 lbs. each; other passengers: 185 lbs. each; plus carryon baggage. In recognition that aircraft required for the Hawaii trip is not common in regional air lines this trip will be evaluated separately. Inability to provide nonstop transportation to Hawaii will not preclude an award for destinations located within the continental United States. For a post season bowl game the University will require transportation for an estimated 250 travelers, including players, coaches and invited guests. If two aircraft are offered the team aircraft must have a minimum capacity of 136 passengers.

5.3.2 The University will move to the Big East Conference. Currently scheduled for the 2013 season. Destinations and flights will be scheduled once the information is available.

5.3.3 Departure time for each flight is determined as soon as possible after the official schedule is published. Requests by Boise State University to adjust departure times may occur especially if the host school changes stadium availability for practice on arrival day, television schedule changes, or other similar changes occurs that affect the trip schedule.

5.3.4 Equipment is generally shipped by truck but, when that is not possible, total equipment weight is approximately 6,006 lbs. (excludes weight of players / passengers & passenger/ carryon bags) – see Exhibit 2 for a detailed listing.

5.3.5 Only passengers approved by University will be on any flight chartered by University. University reserves the right to fill all available seats.

5.3.6 Each game will be approximately three hours long. Typically, the team will depart from the stadium approximately 1 hour after completion of the game and will go directly to the airport for departure. The aircraft and crew shall be available to load passengers four hours after game start time with departure immediately after loading has been completed <u>For games in the eastern time zone, rest overnight or early arrival aircraft are</u>

preferred.

5.4 **(M)** CONTRACT CONDITIONS

5.4.1 Performance of Work

5.4.1.1 The Contractor is responsible to maintain and supply all equipment, aircraft, engine reserve, fuel, and other supplies required for the service to be performed in this contract (including the Sponsorship Agreement). Subcontracting of service is not allowed. If the plane is not available and ready for take-off within the contracted time-frame, the Contractor will be responsible to feed and house the traveling party until such flight is ready, in addition to Contractor's other obligations as set forth in this contract. This requirement extends to FBO or other non-main terminal locations and/or sub-contracted gates.

5.4.1.2 In the case of additional ground time and/or delays due to mechanical difficulties, or other reasons attributable to the Contractor, the Contractor shall compensate the University for such delay(s). Compensation would include, but not be limited to the following: 1-hour delay sports drinks and bars, preferably PowerAde and Powerbars for each traveler; 1.5 to 2 hour delay –a meal for each traveler, lounge accommodations for all travelers. If a flight is delayed for more than 2 hours, for any reason attributable to the Contractor, the Contractor shall refund to the University any actual costs incurred due to such delay, including but not limited to meals, lodging, and local transportation.

5.4.1.3 Contractor shall provide current on time records for scheduled commercial flights and charters.

5.4.1.4 All flights are to be non-stop from Boise to each destination and return.

5.4.2 Cancellation or Delayed Operation

5.4.2.1 Weather-related Cancellations: The Contractor shall discuss actual and anticipated weather conditions with the University. Where possible, such discussions shall occur sufficiently in advance of the flight to permit the University to decide whether to proceed with or cancel the flight. Final decision whether to proceed with or to cancel a flight for weather-related reasons shall always rest with the Contractor, which shall provide verification and substantiation of the reason(s) for flight cancellation if the University so requests and in writing if the University so requests. If a flight is canceled for weather-related reasons, the Contractor shall refund all fees and costs paid by the University for the flight and all associated matters. Upon University request, the Contractor shall make every effort to provide alternative flight options in the event that the scheduled flight is significantly delayed or cancelled due to weather.

5.4.2.2 Cancellation for Mechanical and Other Reasons: If a flight is canceled in whole or in part due to mechanical reasons, flight crew availability, or if a flight is canceled in whole or part for other reasons within the Contractor's control, the Contractor shall be obligated to provide a substantially equivalent replacement aircraft. If Contractor fails to provide such an aircraft, it shall refund all fees and costs paid by the University for the flight and all associated matters and shall be liable for all damages, including consequential damages incurred by the University. The Contractor acknowledges that said damages may include, but are not limited to, lodging, meals, alternate travel arrangements, lost game revenue, game cancellation liquidated damages amounts as defined in the contract between the University and its opponent, and compensation for delays.

5.4.2.3 Cancellation by the University: The University may cancel any and all flights, for reasons beyond the University's control, such as but not limited to game cancellation due to adverse weather. The University shall make every effort to provide 24-hour advance notice of any such cancellation(s). Upon such cancellation, the Contractor shall credit all fees paid by the University for the flight and associated matters to be applied to a future flight with the Contractor.

5.4.2.4 Delay or Change by the University: The University may delay or change any and all flights, for reasons beyond the University's control, such as but not limited to game date change and/or cancellation by the opposing team, network television scheduling related changes, field availability, etc. The University shall provide notice to the Contractor as soon as possible. If the Contractor is not able to accommodate the delay or change, the Contractor shall credit all fees paid by the University for the flight and associated matters to be applied to a future flight with the Contractor.

5.4.3 GROUND TIME
The costs incurred for all ground time delays due to any reason not within the control of the University shall be borne by the Contractor. For ground time delays attributed to the University, the first two hours shall be at no charge to the University.

5.4.4 UNIVERSITY'S COMPLIANCE OBLIGATIONS
The Contractor will advise the University, in writing, of all laws, rules, and regulations with which the University must comply in performing this contract, including but not limited to all laws, rules, and regulations pertaining to the chartering of aircraft, sufficiently in advance of the time for compliance by the University that the University may meet its compliance obligations. The Contractor will consult with and reasonably assist the University in complying with said laws, rules, and regulations.

5.4.5 NON-PERFORMANCE
If the Contractor breaches the contract in whole or in part and/or fails to comply with the requirements and specifications set forth in the contract, it shall refund all fees and costs paid by the University for the flight and all associated matters and shall be liable for all damages, including consequential damages, incurred by the University. The Contractor acknowledges that said damages may include, but are not limited to, lodging and meals, alternate travel arrangements, lost game revenue, game cancellation liquidated damages amounts as defined in the contract between the University and its opponent, and compensation for delays and other significant consequences.

6. MANDATORY REQUIREMENTS

Note: All of Section 6 will be pass/fail, any proposal receiving a "fail" will not be considered further.

6.1 Carrier must provide signed Certificate of Debarment with bid response.(Exhibit 3) Offeror must also provide signed Signature Page with bid response.

6.2 Identify any deposit and prepayment requirements.

6.3 The Contractor will provide name, address, phone, contact information, and account number of their DOT approved escrow account. Boise State University will only issue payment to a DOT approved escrow account.

6.4 Contractor shall provide their standard contract form(s) with their proposal, including the Sponsorship Agreement.

6.5 CONTRACTOR REQUIREMENTS

6.5.1 Aircraft must meet or exceed all Federal Aviation Administration (FAA) Regulations, Standards and Requirements for Safe Air Transportation Services.

6.5.2 Aircraft shall be all-weather capable.

6.5.3 The Contractor shall be capable of flying in all climate conditions and under instrument flight rules when necessary.

6.5.4 The pilot and co-pilot must be fully capable to operate the plane, and must be fully licensed to operate in the pilot and co-pilot capacity, respectively. Both the pilot and co-pilot shall have sufficient flight hours necessary to pilot the aircraft per the schedule on Exhibit 1.

6.5.5 The Contractor shall meet all applicable requirements concerning FAA Part 121, and shall be FAA Part 121 certified for any and all flights. The Contractor shall include a copy of their FAA Part 121 certificate in the bid response. Contractor shall insure that all required crew rest requirements are met prior to the scheduled departure time.

6.5.6 In addition to the foregoing, the Contractor shall ensure compliance with all federal, state, and local laws, rules, and regulations pertaining to the ownership and operation of the aircraft, including but not limited to compliance with all applicable regulations promulgated by the Federal Aviation Administration and/or the Department of Transportation.

6.5.7 Without limiting the foregoing, Contractor's duties and responsibilities shall include the following:

6.5.7.1 The sole and absolute responsibility for the furnishing of qualified crews and flight attendants for each flight; including an airline representative Charter Coordinator on each flight.

6.5.7.2 The maintenance of the aircraft in accordance with all applicable regulations for all pre-flight, flight, and post-flight operations, including but not limited to the performance of every act, duty, and responsibility required by law or regulation of any regulatory authority having jurisdiction over the operation of each flight and the aircraft;

6.5.7.3 The aircraft security while the aircraft is on the ground;

6.5.7.4 Pre-flight check-in procedures for both passengers and baggage;

6.5.7.5 Air terminal security as may be required by law; sufficient equipment & numbers of screeners should be available to insure that the screening process does not exceed 20-30 minutes for the entire party.

6.5.7.6 Ingress and egress of the passengers to and from the aircraft; Provisions should be made for alternative locations for passengers in the event of foul weather if sufficient FBO accommodations do not exist plane side.

6.5.7.7 Any other duties and responsibilities required of an owner/operator of an aircraft by any Federal, State, or local law or any regulation of any said governmental agency for the services described in this contract.

The Certificate of Insurance will be furnished to the University's Purchasing Department before contracts will be signed.

6.6 MEALS AND BEVERAGE SERVICE

6.6.1 Meals: Meals shall generally consist of an ample supply of Power Bars (average of double the seating capacity) both outbound and return flights.

Beverages: Beverages shall include ample supplies of 20 oz. water and 20 oz. sports drinks preferably PowerAde for all passengers (average of double the seating capacity; more on longer flights). No alcohol is allowed on any flight chartered by Boise State University. Additionally, water and sports drinks preferably PowerAde shall be available at the Gate on departure from Boise airport (BOI) and at the base of the flight stairs on the return flight.

6.6.2 Meals: University may, at its sole discretion, arrange in flight meals with the contractor catering contractor or may arrange to bring a catered meal on board from a third party vendor.

7. EVALUATED REQUIREMENTS

Required information provided as part of your proposal will be evaluated by a committee composed of University personnel.

7.1 AIRCRAFT

All flights require an aircraft that seats136 passengers. For the Michigan and Mississippi quote an aircraft that seats 160 passengers is an option. Additional points may be awarded for no first class or business class sections, TV's in all seats, and most spacious leg room specifications.

7.2 AIRPORTS

Identify airport and passenger handling location to be used for each flight segment listed in this Exhibit I. In Boise, please bid departures from an assigned gate in the main terminal and an FBO. Please bid both the main terminal and FBO for arrivals back into Boise. FBOs at the destination sites are preferred. Identify foul weather accommodations at all sites.

7.3 REFERENCES
Required information provided as part of your proposal will be evaluated by University. Failure to provide this information may result in rejection of proposal.

Boise State University hereby requests in conjunction with this proposal Contractors provide names of contact, position of contact, addresses and phone numbers of contact information of three (3) Division 1 Universities your firm has provided Air Charter service for within the past three years. (All referenced Universities must be located west of the Mississippi). Failure to receive appropriate references on or before the opening date will result in zero points being awarded for this section.

Boise State University reserves the right to request additional references and/or contact any other references that may not have been provided by Contractor. Standard industry reference inquiries shall be utilized during this process.

8. (ME) COST PROPOSAL

Pricing will be evaluated using a cost model that offers the University the best possible value over the initial term of the contract.

8.1 The offeror must include escrow account information with their completed bidding schedule (Exhibit 1). Upon signing this Agreement or ninety (90) days prior to the first flight segment of the Charter Flights, whichever is later, Charterer will deposit 20% of the Charter Flight Cost into contractor's escrow account described in bid response. At least seven (7) business days prior to the first flight segment of the Charter Flights, Charterer will deposit into contractor's escrow account the remaining amount of the Charter Flight Cost. The escrowed funds will be held in the escrow account until at least five (5) business days following the completion of a particular Charter Flight or segment of the Charter Flight(s), at which time the portion of funds applicable to the particular Charter Flight or segment of the Charter Flight(s) will be released to contractor. This release of the escrow funds to contractor will occur without further notification to, or approval by, the Charterer. If the Charterer wants to dispute the release of the escrowed funds to contractor, the Charterer must notify contractor in writing of any dispute within five (5) business days after completion of the particular Charter Flight or segment, including the amount of escrow funds in dispute. Contractor will maintain in its escrow account funds equal to the amount in dispute pending resolution of the dispute.

8.2 The offeror must provide a fully-burdened rate which must include, **but is not limited to**, all operating and personnel expenses, such as: overhead, salaries, profit, supplies, travel and quality improvement.

8.3 Contractor shall propose a cost for each flight and for all flights. For exclusive service rights see Exhibit 1 and Exhibit 4.

8.4 Boise State University reserves the right to make a cost comparison with commercial air and charter bus services, and based on available funding will determine which flights will ultimately be chartered from this proposal.

8.5 Proposal prices must be fully burdened to include all costs associated with the charter including but not limited to: meals; beverage service; ground handling; fuel; de-icing; landing fees; all airport fees; Federal, state and local taxes and Passenger

Facility Charges (PFC); and Federal Excise Taxes (FET).

8.6 Separately identify fuel cost assumption per flight in Exhibit 1. Fuel cost assumption should be in dollars/gallon. If a fuel surcharge is a variable in the costs associated with these charters (documentation required to substantiate fuel surcharge), identify fuel usage quantity per flight hour, flight hours per flight (to include deadheads) and calculation for determining fuel surcharge or credit. Identify if fuel cost assumption is based on current fuel costs, or a projection of future fuel costs, and provide date of that projection. The cost of fuel will be normalized for all bids to allow for consistent pricing comparison.

CONTRACTORS ARE NOT ALLOWED TO DIRECT BILL EXPENSES OR TO RECEIVE ADVANCE PAYMENTS FOR SERVICES NOT RENDERED.

9. PROPOSAL REVIEW AND EVALUATION

9.1 The objective of the University in soliciting and evaluating proposals is to ensure the selection of a firm that will produce the best possible results for the funds expended.

9.2 All proposals will be evaluated first to ensure that they meet the Mandatory Submission Requirements of the RFP as addressed in Section 2.4. All proposals not meeting the Mandatory Submission Requirements will be found non-responsive.

9.3 The Business and Scope of Work proposal will be evaluated first as either "pass" or "fail," based on the compliance with those requirements listed in the RFP with an (M). All proposals that meet the requirements will continue in the evaluation process outlined in Section 7.

9.4 Offeror may propose a corporate sponsor agreement ("Sponsorship Discount"). If this is offered please fill out exhibit 4 and list discount on exhibit 1.

9.5 Offeror will be notified of the result of the procurement process in writing. Written notification will be sent to the authorized signer on the University's signature page.

9.6 The proposals will be reviewed and evaluated by Individual Scoring – Each member of the Proposal Evaluation Committee must confidentially and independently evaluate the proposals submitted. The criteria described below must be used by each Committee member to evaluate and score the proposals for the purpose of ranking them in relative position based on how fully each proposal meets the requirements of this RFP. The Committee must then meet as a group. Individual scores may be re-evaluated and may or may not be changed by each member at that time. A final independent score must be recorded for each committee member.

The Committee may consult with subject matter experts to review and advise on any portion of the proposals.

9.8 The University reserves the right to seek and consider information from sources other than those provided by the offeror who may have pertinent information concerning the offeror's ability to perform these services. The University may use this information to determine whether the offeror is a responsible offeror.

9.9 For those proposals making it to the cost evaluation, the total points for the technical portion will be summed with the cost points and the proposals will be ranked by final total score.

9.10 The scores for the cost proposal section must be normalized as follows: The cost evaluation will be based on the total cost proposed for required services as itemized in Exhibit 1. The proposal with the lowest overall total cost proposed will receive all the cost points as assigned in the Evaluation Criteria below. Other proposals will be assigned a portion of the maximum score using the formula: Lowest Cost / other proposal cost x total possible cost points.

EVALUATION CRITERIA

Mandatory Submission Requirements Met	Pass/Fail
Evaluated Requirements	550 points
Sponsorship Discount	350 points
Reference and other information	150 points
Cost (Exhibit 1)	300 points
Total Points	1350points

10. GENERAL TERMS AND CONDITIONS

10.1 The RFP, all attachments and amendments, the successful offeror's proposal submitted in response to the RFP, any negotiated changes to the same, will become the contract.

10.2 The contract, in its incorporated composite form, represents the entire agreement between the Contractor and University and supersedes all prior negotiations, representations, understandings or agreements, either written or oral.

10.3 From the date of release of this solicitation until Intent to Award Letter is issued, all contact and requests for information shall be directed to the RFP lead, only. Regarding this solicitation, all contact with other personnel employed by or under contract with the University is restricted. During the same period, no prospective vendor shall approach personnel employed by, or under contract to the University, on any other related matters. An exception to this restriction will be made for vendors who, in the normal course of work under a current and valid contract with the University, may need to discuss legitimate business matters concerning their work with the contracting department. Violation of these conditions may be considered sufficient cause by the University to reject a vendor's bid or proposal, irrespective of any other consideration.

APPENDIX A

Scope of Work

(The contractor's proposal will be included in the contract as Appendix A – Scope of Work)

ATTACHMENT 1
OFFEROR QUESTIONS

PLEASE DO NOT IDENTIFY YOUR NAME OR YOUR COMPANY'S NAME IN YOUR QUESTIONS.

ADD ROWS BY HITTING THE TAB KEY WHILE WITHIN THE TABLE AND WITHIN THE FINAL ROW.

The following instructions must be followed when submitting questions using the question format on the following page.

1. THIS FORM AND THIS FORM ONLY IS TO BE USED.
2. DO NOT CHANGE THE FORMAT OR FONT. Do not bold your questions or change the color of the font.
3. Questions must be received on time or will be rejected and not considered.
4. Enter the RFP section number that the question is for in the "RFP Section" field (column 2). If the question is a general question not related to a specific RFP section, enter "General" in column 2. If the question is in regards to a State Term and Condition or a Special Term and Condition, state the clause number in column 2. If the question is in regard to an attachment, enter the attachment identifier (example "Attachment A") in the "RFP Section" (column 2), and the attachment page number in the "RFP page" field (column 3).
5. Do not enter text in column 5 (Answers). This is for the University's use only.
6. Once completed, this form is to be emailed per the instructions in the RFP. The email subject line is to state the RFP number followed by "Questions."

Title of RFP, RFP#MC12-115
Questions are due by 5:00 PM MT, per the date listed in 1. Administrative Information.

Question	RFP Section	RFP Page	Question	Response
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				

ATTACHMENT 2
REFERENCES

INSTRUCTIONS TO THE OFFEROR:

Offerors must provide five(5) written professional references from individuals, companies, or agencies with knowledge of the offeror's experience that is similar in nature to the products or services being requested by this RFP, and are in within the last three (3) years from the date this RFP was posted on the University website.

References not received prior to RFP closing date and time will receive a score of "0" for that reference. References outside the three (3) years, and references determined to be not of a similar nature to the products or services requested by this RFP will also receive no (zero) points. **Determination of similarity will be made by using the information provided by the reference in Section II General Information and any additional information provided by the reference.**

If more than three (3) references are received, the first three (3) fully completed references received will be used for evaluation purposes.

1. Offerors must complete the following information on page 2 of the "Reference's Response To" document before sending it to the Reference for response.

    a. Print the name of your reference (company/organization) on the "REFERENCE NAME" line.

    b. Print the name of your company/organization on the "OFFEROR NAME" line.

2. Send the "Reference's Response To" document to your references to complete.

NOTE: It is the offerors responsibility to follow up with their references to ensure timely receipt of all questionnaires. Offerors may e-mail the RFP Lead twenty-four (24) hours prior to the RFP closing date to verify receipt of references.

REFERENCE'S RESPONSE TO:
RFP Number: MC12-115
Air Charter Boise State University Football

REFERENCE NAME (Company/Organization): ______________________________

OFFEROR (Vendor) NAME (Company/Organization): ____________________________ has submitted a proposal to Boise State University to provide the following services: Air Charter Services We've chosen you as one of our references.

INSTRUCTIONS

1. Complete **Section I. RATING** using the Rating Scale provided.
2. Complete **Section II. GENERAL INFORMATION** (*This section is for information only and will not be scored.)*
3. Complete **Section III. ACKNOWLEDGEMENT** by manually signing and dating the document. *(Reference documents must include an actual signature.)*
4. E-mail or fax THIS PAGE and your completed reference document, SECTIONS I through III to:

   RFP Lead: Mike Carr
   E-mail: mikecarr@boisestate.edu
   Fax: 208-426-1152

5. This completed document MUST be received by 5:00 p.m. (Mountain Time) on March 27, 2112. Reference documents received after this time will not be considered. **References received without a signature will not be accepted.**
6. DO NOT return this document to the Offeror (Vendor).
7. In addition to this document, the University may contact references by phone for further clarification if necessary.

Section I. RATING

Using the Rating Scale provided below, rate the following nine (9) items by circling the appropriate number for each item:

Rating Scale

Category	Score
Poor or Inadequate Performance	0
Below Average	1 – 3
Average	4 – 6
Above Average	7 - 9
Excellent	10

Circle ONE number for each of the following nine items:

1. **Rate the overall quality of the vendor's services:**

   10 9 8 7 6 5 4 3 2 1 0

2. **Rate the response time of this vendor:**

   10 9 8 7 6 5 4 3 2 1 0

3. **Rate how well the agreed upon, planned schedule was consistently met and deliverables provided on time.** ***(This pertains to delays under the control of the vendor):***

   10 9 8 7 6 5 4 3 2 1 0

4. **Rate the overall customer service and timeliness in responding to customer service inquiries, issues and resolutions:**

   10 9 8 7 6 5 4 3 2 1 0

5. **Rate the knowledge of the vendor's assigned staff and their ability to accomplish duties as contracted:**

   10 9 8 7 6 5 4 3 2 1 0

6. **Rate the accuracy and timeliness of the vendor's billing and/or invoices:**

   10 9 8 7 6 5 4 3 2 1 0

7. **Rate the vendor's ability to quickly and thoroughly resolve a problem related to the services provided:**

   10 9 8 7 6 5 4 3 2 1 0

8. **Rate the vendor's flexibility in meeting business requirements:**

   10 9 8 7 6 5 4 3 2 1 0

9. **Rate the likelihood of your company/organization recommending this vendor to others in the future:**

   10 9 8 7 6 5 4 3 2 1 0

Section II. GENERAL INFORMATION

1. Please include a brief description of the Air Charter services provided by this vendor for your business:

   ____

   ____

   ____

   ____

   ____

2. During what time period did the vendor provide these services for your business?

   Month:________ Year:________ to Month:________ Year:________

Section III. ACKNOWLEDGEMENT

I affirm to the best of my knowledge that the information I have provided is true, correct, and factual:

______________________	______________________
Signature of Reference	Date
______________________	______________________
Print Name	Title
______________________	
Phone Number	

ATTACHMENT 3
DEFINITIONS

Solicitation	*This document and any subsequent addendum*
Offeror	*Any company responding to this Request for Proposal*
RFP	*Request for Proposal*
University	*Boise State University*

ATTACHMENT 4A
BALANCE SHEET
M/E (Mandatory, Evaluated)

	Year ending (most recent year)	Year ending (2nd most recent year)
Assets		
Current Assets		
Cash and Cash Equivalents[1]		
Receivables, net of allowance for doubtful accounts[2]		
Inventories[3]		
Prepaid Expenses[4]		
Total Current Assets	$ -	$ -
Long-Term Investments[5]		
Property, Plant and Equipment, net of depreciation[6]		
Intangible Assets[7]		
Total Assets	$ -	$ -
Liabilities and Owners' Equity		
Current Liabilities		
Accounts Payable[8]		
Notes Payable[9]		
Interest Payable[10]		
Income Taxes Payable[11]		
Accrued Salaries, Wages, Other Liabilities[12]		
Deposits Received from Customers[13]		
Current Portion of Long-Term Debt[14]		
Total Current Liabilities	$ -	$ -
Long Term Debt		
Notes, Loans and Bonds Payable[15]	$ -	$ -
Owners' Equity		
Capital Stock[16]		
Additional Paid In Capital[17]		
Retained Earnings[18]		
Total Owners' Equity	$ -	$ -
Total Liabilities and Owners' Equity	$ -	$ -

I have reviewed these financial statements and to the best of my knowledge:

a) the reports do not contain any false, materially important statements nor do they omit a necessary material fact.
b) the financial statements, and any other financial information furnished in the report, fairly present in all material respects the financial conditions, results of operations, and cash flows of the company in regards to the periods presented in the report.
c) the company has designed disclosure controls and procedures to guarantee that material information in regards to the company and any subsidiaries is made known to me by others within those entities.

To be signed by Owner, President, CEO, CFO, Executive Director or other Individual authorized to act on behalf of the organization.

ATTACHMENT 4B
STATEMENT OF OPERATIONS
M/E (Mandatory, Evaluated)

	Year ending (most recent year)	Year ending (2nd most recent year)
Revenues	$ -	$ -
Expenses:		
Cost of products and services		
Selling, general and administrative		
Depreciation and amortization		
Total expenses	-	-
Operating income (loss)	$ -	$ -
Interest expense		
Interest income		
Other items, net		
Income (loss) before income taxes	$ -	$ -
Provision for income taxes		
Net Income (loss)	$ -	$ -

I have reviewed these financial statements and to the best of my knowledge:

a) the reports do not contain any false, materially important statements nor do they omit a necessary material fact.

b) the financial statements, and any other financial information furnished in the report, fairly present in all material respects the financial conditions, results of operations, and cash flows of the company in regards to the periods presented in the report.

c) the company has designed disclosure controls and procedures to guarantee that material information in regards to the company and any subsidiaries is made known to me by others within those entities.

____

To be signed by Owner, President, CEO, CFO, Executive Director or other individual authorized to act on behalf of the organization.

ATTACHMENT 4C
CONSOLIDATED BALANCE SHEET EXPLANATIONS

1. *Cash and Cash Equivalents:* This line item refers to cash and all items that could be quickly converted to a known amount of cash, such as: stocks, money market accounts or investments (such as certificates of deposit) that are within 3 months of their maturity date.

2. *Receivables, net of allowance for doubtful accounts:* Amounts of money due from customers or other debtors, subtracting the amount you believe you will be unable to collect.

3. *Inventories:* Value of property held for sale, or of the materials you will use to make a product that will be for sale.

4. *Prepaid Expenses*: Expenses for goods or services that you expect to use within a year, such as: prepaid insurance, rent paid in advance, prepaid advertising or prepaid postage.

5. *Long-Term Investments:* The value of any investment with a maturity date more than 12 months from the date of the balance sheet, such as: certificates of deposits with more than 12 months to maturity, bonds, or other notes.

6. *Property, Plant and Equipment, net of depreciation:* The value of durable property used in the regular operations of the business, such as: land, buildings, machinery, furniture and tools. Subtract the accumulated depreciation.

7. *Intangible Assets:* The value of any resources that lack physical substance yet have significant value, such as patents, copyrights or franchises.

8. *Accounts Payable:* Amounts owed to a creditor for delivered goods or completed services.

9. *Notes Payable:* The total of all loans that are due within the next 12 months.

10. *Interest Payable:* All interest due on the balance sheet date.

11. *Income Taxes Payable:* Any income taxes owing as of the balance sheet date.

12. *Accrued Salaries, Wages, Other Liabilities:* Any salaries, wages, benefits and/or employment taxes earned but not paid as of the balance sheet date.

13. *Deposits Received from Customers:* Amount received from customers as deposits for merchandise that the company has not delivered as of the balance sheet date.

14. *Current Portion of Long-Term Debt:* The total of the payments due within the next 12 months on all loans, notes or other debts whose final due date is more than 12 months from the balance sheet date.

15. *Long-Term Debt: Notes, Loans and Bonds Payable:* The total value of all loans, notes, bonds and other debts whose final due date is more than 12 months from the balance sheet date. (Do not include any portion already listed under #14.)

16. *Capital Stock:* Ownership shares of a corporation authorized by its Articles of Incorporation.

17. *Additional Paid-In Capital:* Other money invested into a company by a shareholder, without getting more shares.

18. *Retained Earnings:* The part of a company's earnings that it does not distribute, but keeps for future needs.

TOTAL ASSETS MUST EQUAL TOTAL LIABILITIES AND OWNERS' EQUITY

EXHIBIT 1 - BIDDING SCHEDULE

1. Michigan State
   August 31

Approximate Flight Time: ________ Airport ________________________________

Roundtrip price: $____________ Type of Aircraft: ____________Leg room: ___________

Carrier: ______________________ Fuel gallons burned per flight hour: ______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

Approximate Flight Time: ________ **Aircraft seating 160 passengers**

Roundtrip price: $____________ Type of Aircraft: ____________Leg room: ___________

Carrier: ______________________ Fuel gallons burned per flight hour: ______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

---

2. Southern Mississippi
   October 6

Approximate Flight Time: ________ Airport ________________________________

Roundtrip price: $____________ Type of Aircraft: ____________Leg room: ___________

Carrier: ______________________ Fuel gallons burned per flight hour: ______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Approximate Flight Time: _________ **Aircraft seating 160 passengers**

Roundtrip price: $_____________ Type of Aircraft: _____________Leg room: ____________

Carrier: _______________________ Fuel gallons burned per flight hour: _______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

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3. Nevada Reno

Approximate Flight Time: _________ Airport ______________________________________

Roundtrip price: $_____________ Type of Aircraft: _____________Leg room: ____________

Carrier: _______________________ Fuel gallons burned per flight hour: _______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

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4. University of Wyoming

Approximate Flight Time: _________ Airport ______________________________________

Roundtrip price: $_____________ Type of Aircraft: _____________Leg room: ____________

Carrier: _____________________ Fuel gallons burned per flight hour: _______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

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5. University of New Mexico

Approximate Flight Time: _________ Airport ______________________________________

Roundtrip price: $_____________ Type of Aircraft: _____________Leg room: ____________

Carrier: _______________________ Fuel gallons burned per flight hour: _______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

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6. University of Hawaii

Approximate Flight Time: _________ Airport ______________________________________

Roundtrip price: $_____________ Type of Aircraft: _____________Leg room: ____________

Carrier: _________________________ Fuel gallons burned per flight hour: _______________

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: ____ Return Flight: ____

Total flight hours (including deadheads): Outgoing flight: ______ Return Flight: ______

Item	Location	Discount Amount
01	Michigan State	$__________
02	Southern Miss	$__________
03	Nevada	$__________
04	Wyoming	$__________
05	New Mexico	$__________
06	Hawaii	$__________

Total Cost of all listed Flights. $ __________

Total Cost of all Flights
(Less the % discount
for exclusive Sponsorship
rights.) $__________

Flights with optional aircraft

Item	Location	Discount Amount
01	Michigan State	$__________
02	Southern Miss	$__________
03	Nevada	$__________
04	Wyoming	$__________
05	New Mexico	$__________
06	Hawaii	$__________

Total Cost of all listed Flights. $ __________

Total Cost of all Flights
(Less the % discount
for exclusive Sponsorship
rights.) $__________

THIS PROPOSAL SCHEDULE MUST BE RETURNED WITH SIGNED PROPOSAL PACKAGE.

7. Bowl Game
   Bowl game location and date will not be known until late in the season. Bowl games will fall between December 15, 2012 and January 7, 2013. It is anticipated that we will have a minimum of two weeks' notice prior to the game. Specify aircraft and seating capacity. For minimum capacities see section 5.3.1

Type of Aircraft: ____________ Seating Capacity: ______________ Leg room: ___________

Carrier: _______________________ Fuel gallons burned per flight hour: ______________

EXHIBIT 2 – EQUIPMENT LIST

The following equipment MAY travel with the team to each game:

Item	Quantity	Weight
Players' Bags	65	28 lbs. each
Equipment Trunks	1	250 lbs., Dimensions: 45.5 x 25.5 x 33
	1	240 lbs., Dimensions: 45.5 x 25.5 x 33
	1	175 lbs., Dimensions: 37 x 27 x 31.5
Kicking Net	1	45 lbs. each
Bags/Footballs	1	30 lbs. each
Tool Kit	1	50 lbs. each
Trainer Equip. Bags	4	35 lbs. each
Trainer Equipment Trunks	2	150 lbs. each, Dimensions: 40 x 24 x 32
Trainer Kits	2	45 lbs. each
Trainer Ice Chest	1	20 lbs.
Trainer Water Cooler	2	20 lbs. each
Headset Trunk	1	250 lbs., Dimensions: 24 x 27 x 45
	1	200 lbs., Dimensions: 40 x 24 x 32
	1	125 lbs., Dimensions: 20 x 22 x 31
Video/VCR Case	1	111 lbs.
DVD/Case	1	80 lbs.
	1	50 lbs.
Camera Cases	3	150 lbs. total
Tripod Cases	2	40 lbs. total
Misc		50 lbs. total
TOTAL CARGO WEIGHT		4,206 lbs. – approximate
Players Bags – Carry On	120	15 lbs. each
TOTAL WEIGHT		**6,006 lbs. - approximate**

EXHIBIT 3
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTIONS.

1. The prospective Contractor certifies that, to the best of its knowledge and belief, it and its principals:

   A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

   B. Have not within a three-year period preceding this proposal been convicted or had a civil judgment rendered against them for commission of fraud performing a public (Federal, State, or Local) transaction or contract under a public transaction: violation, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

   C. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (1.)(B.) of this certification; and

   D. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, state, or Local) terminated for cause or default.

2. Where the prospective Contractor is unable to certify to any of the statements in this certification, such prospective Contractor shall attach an explanation to this proposal.

Proposal Identification________________________

Signature: __________________________________ Date: ___________________

Name & Title: ____

Company name: ____

EXHIBIT 4– **Sponsorship Proposal for Official Airlines of the Broncos**

2011 Boise State University Football Air Charter RFP# MC12-115

The Contractor may provide a written copy of the proposed "Corporate Sponsorship Agreement." & discount associated with the said agreement. **All proposals will be considered and graded according to what is deemed in the best interest of the University.**

The sponsorship agreement may include but is not limited to the designation right of "***Official Airlines of the Boise State Broncos".*** Stadium advertising, video promotions, Publications/websites, tickets, media/television, media radio, promotional benefits, annual cash payment sponsorship fees, travel banks, credit accounts, signage, hospitality, in-market promotions, trade accounts, discounts to higher educational institutions, signage installation etc.

SIGNATURE PAGE

THIS SHEET MUST BE FILLED OUT, SIGNED AND RETURNED WITH RESPONSE.

THE UNDERSIGNED HEREBY OFFERS TO SELL TO BOISE STATE UNIVERSITY THE SPECIFIED PROPERTY AND/OR SERVICES, IF THIS QUOTE IS ACCEPTED WITHIN A REASONABLE TIME FROM DATE OF CLOSING, AT THE PRICE SHOWN IN OUR QUOTE AND UNDER ALL THE TERMS AND CONDITIONS CONTAINED IN, OR INCORPORATED BY REFERENCE, INTO THE BOISE STATE UNIVERSITY'S SOLICITATION.

SUBMISSION OF A QUOTE TO BOISE STATE UNIVERSITY CONSTITUTES AND SHALL BE DEEMED AN OFFER TO SELL TO BOISE STATE UNIVERSITY THE SPECIFIED PROPERTY AND/OR SERVICES AT THE PRICE SHOWN IN THE QUOTE AND UNDER THE STATE OF IDAHO'S TERMS AND CONDITIONS.

AS THE UNDERSIGNED, I ALSO CERTIFY I AM AUTHORIZED TO SIGN THIS QUOTE FOR THE VENDOR AND THE QUOTE IS MADE WITHOUT CONNECTION TO ANY PERSON, FIRM, OR CORPORATION MAKING A QUOTE FOR THE SAME GOODS AND/OR SERVICES AND IS IN ALL RESPECTS FAIR AND WITHOUT COLLUSION OR FRAUD.

NO LIABILITY WILL BE ASSUMED BY BOISE STATE UNIVERSITY FOR A VENDOR'S FAILURE TO OBTAIN THE TERMS AND CONDITIONS IN A TIMELY MANNER FOR USE IN THE VENDOR'S RESPONSE TO THIS SOLICITATION OR ANY OTHER FAILURE BY THE VENDOR TO CONSIDER THE TERMS AND CONDITIONS IN THE VENDOR'S RESPONSE TO THE SOLICITATION.

Return with completed bid:

Please complete the following information:

VENDOR (Company Name)____

ADDRESS____

CITY ______________________ STATE _____________ ZIP CODE _____________

TOLL-FREE #________________________ PHONE #__________________________

FAX #_____________________________ EMAIL_____________________________

FEDERAL TAX ID / SSN #____

SIGNATURE PAGE MUST BE SIGNED & RETURNED FOR RESPONSE TO BE CONSIDERED.

_________________________________ _________________________

Signature Date

_________________________________ _________________________

Please type or print name Title

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

1. **DEFINITIONS:** Unless the context requires otherwise, all terms not defined below shall have the meanings defined in Idaho Code Section 67-5716 or IDAPA 38.05.01.011.

   A. Agreement – Any State written contract, lease or purchase order including solicitation or specification documents and the accepted portions of the submission for the acquisition of Property. An Agreement shall also include any amendments mutually agreed upon by both parties.

   B. Contractor – A vendor who has been awarded an Agreement.

   C. Property – Goods, services, parts, supplies and equipment, both tangible and intangible, including, but not exclusively, designs, plans, programs, systems, techniques and any rights and interest in such property.

   D. State – The State of Idaho including each agency unless the context implies other states of the United States.

2. **TERMINATION:** The State may terminate the Agreement (and/or any order issued pursuant to the Agreement) when the Contractor has been provided written notice of default or non-compliance and has failed to cure the default or non-compliance within a reasonable time, not to exceed thirty (30) calendar days. If the Agreement is terminated for default or non-compliance, the Contractor will be responsible for any costs resulting from the State's placement of a new contract and any damages incurred by the State. The State, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary including, without limitation, offset of damages against payment due.

3. **RENEWAL OPTIONS:** Upon mutual agreement by both parties (unless otherwise modified by a special contract term, condition, or specification), this Agreement may be extended under the same terms and conditions for one (1) year intervals or the time interval equal to the original contract period.

4. **PRICES:** Prices shall not fluctuate for the period of the Agreement and any renewal or extension, unless otherwise specified by the State in the bidding documents or other terms of the Agreement. Prices include all costs associated with shipping and delivery to the F.O.B. destination address, prepaid and allowed. If installation is requested by the State or specified in the State's solicitation documents, pricing shall include all charges associated with a complete installation at the location specified.

5. **ADMINISTRATIVE FEE:**

   A. **Application of Administrative Fee:**

   1. All Purchase Orders (PO) and Contract Purchase Orders (CPO) issued through the Idaho eProcurement System (IPRO) shall be subject to an Administrative Fee of one point two five percent (1.25%) of the value of the Agreement, unless the PO or CPO is exempted as described below. The Administrative Fee will apply to all PO and CPO Awards issued through IPRO, regardless of Contractor's mode of response submission to the solicitation (i.e. manual or electronic).

   2. Subsequent renewals, amendments or change orders to the initial PO or CPO, which result in an increased Agreement value, will constitute an incremental or additional award for which an additional Administrative Fee will apply; however, the additional Administrative Fee will be a Flat Fee, applied as follows:

Original value + all amendments		Flat Fee
$50,000	- $1 Million	$ 500
$1 Million	- $8 Million	$ 1000
$8 Million +		$ 2000

   3. Regardless of the number of renewals, amendments, and/or change orders, the total aggregate Administrative Fee assessed per PO or CPO will not exceed one hundred thousand dollars ($100,000).

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

4. A contractor's failure to consider the Administrative Fee when preparing its solicitation response shall not constitute or be deemed a waiver by the State of any Administrative Fees owed by Contractor as a result of a PO or CPO Award issued through IPRO.

B. **Administrative Fee Exemptions:**

1. Notwithstanding any language to the contrary, the Administrative Fee referenced in Section 5.A, above, will not apply to contracts with an original awarded value of less than $50,000; or to contracts issued through IPRO without a competitive solicitation, e.g. Emergency Procurements (EPA), Sole Source Procurements (SSA), Exempt Purchases (EXPO), awards issued under Delegated Purchase Authority (DPA), and orders placed against WSCA/NASPO or other cooperative contracts (PADD) that are exempt from the requirements for competitive bidding.

2. The Administrative Fee referenced in Section 5.A., above, will not apply to Blanket Purchase Orders (BPO) or Statewide Blanket Purchase Orders (SBPO); however, BPOs and SBPOs (like PADDs) may have a separate Administrative Fee applied to orders placed against the contract, as specifically described in the individual BPO or SBPO.

3. The State may also exempt a specific PO or CPO from the Administrative Fee requirement.

C. **Payment of Administrative Fee:** Contractor will remit the Administrative Fee applicable to a PO or CPO, as described in Section 5.A., above, to the IPRO Administrator, SicommNet, Inc., as follows:

1. **Awards with a firm delivery date:** SicommNet, Inc. will invoice Contractor for the Administrative Fee on or after the delivery date provided in the Agreement, with payment due thirty (30) days after receipt of invoice.

2. **Awards with a contract start and end date:** SicommNet, Inc. will invoice Contractor on either a quarterly, monthly or "per payment" basis; or may offer Contractor a prepayment option. Payment will be due thirty (30) days after receipt of each invoice.

D. **Refund of Administrative Fee:** In the event that a PO or CPO is cancelled by the State through no fault of the Contractor, or if item(s) are returned by the State through no fault, act, or omission of the Contractor after the sale of any such item(s) to the State, the State will direct SicommNet, Inc. to refund the Contractor any Administrative Fees remitted to SicommNet, Inc. Administrative Fees will not be refunded or returned when an item is rejected or returned, or declined, or the Agreement cancelled by the State due to the Contractor's failure to perform or comply with specifications or requirements of the Agreement. If, for any other reason, the Contractor is obligated to refund to the State all or a portion of the State's payment to the Contractor, or the State withholds payment because of the assessment of liquidated damages, the Administrative Fee assessed on the PO or CPO will not be refunded in whole or in part.

E. **Failure to Remit Administrative Fees:** If a Contractor fails to remit the Administrative Fee, as provided in Section 5.C. above, the State, at its discretion, may declare the Contractor in default; cancel the Agreement or award; assess and recover re-procurement costs from the Contractor (in addition to all outstanding Administrative Fees); seek State or Federal audits, monitoring or inspections; exclude Contractor from participating in future solicitations; and/or suspend Contractor's online account.

6. **CHANGES/MODIFICATIONS:** Changes of specifications or modification of this Agreement in any particular can be affected only upon written consent of the Division of Purchasing, but not until any proposed change or modification has been submitted in writing, signed by the party proposing the said change.

7. **CONFORMING PROPERTY:** The Property shall conform in all respects with the specifications or the State's solicitation documents. In event of nonconformity, and without limitation upon any other remedy, the State shall have no financial obligation in regard to the non-conforming goods or services.

8. **OFFICIAL, AGENT AND EMPLOYEES OF THE STATE NOT PERSONALLY LIABLE:** In no event shall any official, officer, employee or agent of the State be in any way personally liable or responsible for any

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Agreement.

9. **CONTRACT RELATIONSHIP:** It is distinctly and particularly understood and agreed between the parties hereto that the State is in no way associated or otherwise connected with the performance of any service under this Agreement on the part of the Contractor or with the employment of labor or the incurring of expenses by the Contractor. Said Contractor is an independent contractor in the performance of each and every part of this Agreement, and solely and personally liable for all labor, taxes, insurance, required bonding and other expenses, except as specifically stated herein, and for any and all damages in connection with the operation of this Agreement, whether it may be for personal injuries or damages of any other kind. The Contractor shall exonerate, defend, indemnify and hold the State harmless from and against and assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, workman's compensation and income tax laws with respect to the Contractor or Contractor's employees engaged in performance under this Agreement. The Contractor will maintain any applicable workman's compensation insurance as required by law and will provide certificate of same if requested. There will be no exceptions made to this requirement and failure to provide a certification of workman's compensation insurance may, at the State's option, result in cancellation of this Agreement or in a contract price adjustment to cover the State's cost of providing any necessary workman's compensation insurance. The contractor must provide either a certificate of workman's' compensation insurance issued by a surety licensed to write workman's' compensation insurance in the State of Idaho, as evidence that the contractor has in effect a current Idaho workman's compensation insurance policy, or an extraterritorial certificate approved by the Idaho Industrial Commission from a state that has a current reciprocity agreement with the Industrial Commission. The State does not assume liability as an employer.

10. **ANTI-DISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY CLAUSE:** Acceptance of this Agreement binds the Contractor to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964, in that "No person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." In addition, "No other wise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance" (Section 504 of the Rehabilitation Act of 1973). Furthermore, for contracts involving federal funds, the applicable provisions and requirements of Executive Order 11246 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 701 of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), 29 USC Sections 621, et seq., the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, U.S. Department of Interior regulations at 43 CFR Part 17, and the Americans with Disabilities Act of 1990, are also incorporated into this Agreement. The Contractor shall comply with pertinent amendments to such laws made during the term of the Agreement and with all federal and state rules and regulations implementing such laws. The Contractor must include this provision in every subcontract relating to this Agreement.

11. **TAXES:** The State is generally exempt from payment of state sales and use taxes and from personal property tax for property purchased for its use. The State is generally exempt from payment of federal excise tax under a permanent authority from the District Director of the Internal Revenue Service (Chapter 32 Internal Revenue Code [No. 82-73-0019K]). Exemption certificates will be furnished as required upon written request by the Contractor. If the Contractor is required to pay any taxes incurred as a result of doing business with the State, it shall be solely and absolutely responsible for the payment of those taxes. If, after the effective date of this Agreement, an Idaho political subdivision assesses, or attempts to assess, personal property taxes not applicable or in existence at the time this Agreement becomes effective, the State will be responsible for such personal property taxes, after reasonable time to appeal. In no event shall the State be responsible for personal property taxes affecting items subject to this Agreement at the time it becomes effective.

12. **SAVE HARMLESS:** Contractor shall defend, indemnify and hold harmless the State from any and all liability, claims, damages, costs, expenses, and actions, including reasonable attorney fees, caused by or that arise from the negligent or wrongful acts or omissions of the Contractor, its employees, agents, or subcontractors under this Agreement that cause death or injury or damage to property or arising out of a failure to comply

with any state or federal statute, law, regulation or act. Contractor shall have no indemnification liability under this section for death, injury, or damage arising solely out of the negligence or misconduct of the State.

13. **ORDER NUMBERS:** The Contractor shall clearly show the State's Agreement order numbers or purchase order numbers on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

14. **CONTRACTOR RESPONSIBILITY:** The Contractor is responsible for furnishing and delivery of all Property included in this Agreement, whether or not the Contractor is the manufacturer or producer of such Property. Further, the Contractor will be the sole point of contact on contractual matters, including payment of charges resulting from the use or purchase of Property.

15. **SUBCONTRACTING:** Unless otherwise allowed by the State in this Agreement, the Contractor shall not, without written approval from the State, enter into any subcontract relating to the performance of this Agreement or any part thereof. Approval by the State of Contractor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve the Contractor of any responsibility under this Agreement. The Contractor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work under the Agreement by Contractor's subcontractor or its sub-subcontractor.

16. **COMMODITY STATUS:** It is understood and agreed that any item offered or shipped shall be new and in first class condition and that all containers shall be new and suitable for storage or shipment, unless otherwise indicated by the State in the specifications. Demonstrators, previously rented, refurbished, or reconditioned items are not considered "new" except as specifically provided in this section. "New" means items that have not been used previously and that are being actively marketed by the manufacturer or Contractor. The items may contain new or minimal amounts of recycled or recovered parts that have been reprocessed to meet the manufacturer's new product standards. The items must have the State as their first customer and the items must not have been previously sold, installed, demonstrated, or used in any manner (such as rentals, demonstrators, trial units, etc.). The new items offered must be provided with a full, unadulterated, and undiminished new item warranty against defects in workmanship and materials. The warranty is to include replacement, repair, and any labor for the period of time required by other specifications or for the standard manufacturer or vendor warranty, whichever is longer.

17. **SHIPPING AND DELIVERY:** All orders will be shipped directly to the ordering agency at the location specified by the State, on an F.O.B. Destination freight prepaid and allowed basis with all transportation, unloading, uncrating, drayage, or other associated delivery and handling charges paid by the Contractor. "F.O.B. Destination", unless otherwise specified in the Agreement or solicitation documents, shall mean delivered to the State Agency Receiving Dock or Store Door Delivery Point. The Contractor shall deliver all orders and complete installation, if required, within the time specified in the Agreement. Time for delivery commences at the time the order is received by the Contractor.

18. **INSTALLATION AND ACCEPTANCE:** When the purchase price does not include installation, acceptance shall occur fourteen (14) calendar days after delivery; unless the State has notified the Contractor in writing that the order does not meet the State's specification requirements or otherwise fails to pass the Contractor's established test procedures or programs. When installation is included, acceptance shall occur fourteen (14) calendar days after completion of installation; unless the State has notified the Contractor in writing that the order does not meet the State's specification requirements or otherwise fails to pass the Contractor's established test procedures or programs. If an order is for support or other services, acceptance shall occur fourteen (14) calendar days after completion, unless the State has notified the Contractor in writing that the order does not meet the State's requirements or otherwise fails to pass the Contractor's established test procedures or programs.

19. **RISK OF LOSS:** Risk of loss and responsibility and liability for loss or damage will remain with Contractor until acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations. Such loss, injury or destruction shall not release the Contractor from any obligation under this Agreement.

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

20. **INVOICING: ALL INVOICES** are to be sent directly to the **ORDERING AGENCY ONLY**. The Agreement number and/or purchase order number is to be shown on all invoices. In no case are invoices to be sent to the Division of Purchasing.

21. **ASSIGNMENTS:** No Agreement or order or any interest therein shall be transferred by the Contractor to whom such Agreement or order is given to any other party without the approval in writing of the Administrator, Division of Purchasing. Transfer of an Agreement without approval shall cause the annulment of the Agreement so transferred, at the option of the State. All rights of action, however, for any breach of such Agreement are reserved to the State. (Idaho Code Section 67-5726[1])

22. **PAYMENT PROCESSING:** Idaho Code Section 67-5735 reads as follows: "Within ten (10) days after the property acquired is delivered as called for by the bid specifications, the acquiring agency shall complete all processing required of that agency to permit the contractor to be reimbursed according to the terms of the bid. Within ten (10) days of receipt of the document necessary to permit reimbursement of the contractor according to the terms of the contract, the State Controller shall cause a warrant to be issued in favor of the contractor and delivered."

23. **COMPLIANCE WITH LAW, LICENSING AND CERTIFICATIONS:** Contractor shall comply with **ALL** requirements of federal, state and local laws and regulations applicable to Contractor or to the Property provided by Contractor pursuant to this Agreement. For the duration of the Agreement, the Contractor shall maintain in effect and have in its possession all licenses and certifications required by federal, state and local laws and rules.

24. **PATENTS AND COPYRIGHT INDEMNITY:**

    A. Contractor shall indemnify and hold the State harmless and shall defend at its own expense any action brought against the State based upon a claim of infringement of a United States' patent, copyright, trade secret, or trademark for Property purchased under this Agreement. Contractor will pay all damages and costs finally awarded and attributable to such claim, but such defense and payments are conditioned on the following: (i) that Contractor shall be notified promptly in writing by the State of any notice of such claim; (ii) that Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise and State may select at its own expense advisory counsel; and (iii) that the State shall cooperate with Contractor in a reasonable way to facilitate settlement or defense of any claim or suit.

    B. Contractor shall have no liability to the State under any provision of this clause with respect to any claim of infringement that is based upon: (i) the combination or utilization of the Property with machines or devices not provided by the Contractor other than in accordance with Contractor's previously established specifications unless such combination or utilization was disclosed in the specifications; (ii) the modification of the Property unless such modification was disclosed in the specifications; or (iii) the use of the Property not in accordance with Contractor's previously established specifications unless such use was disclosed in the specifications.

    C. Should the Property become, or in Contractor's opinion be likely to become, the subject of a claim of infringement of a United States' patent, the Contractor shall, at its option and expense, either procure for the State the right to continue using the Property, to replace or modify the Property so that it becomes non-infringing, or to grant the State a full refund for the purchase price of the Property and accept its return.

25. **CONFIDENTIAL INFORMATION:** Pursuant to this Agreement, Contractor may collect, or the State may disclose to Contractor, financial, personnel or other information that the State regards as proprietary or confidential ("Confidential Information"). Confidential Information shall belong solely to the State. Contractor shall use such Confidential Information only in the performance of its services under this Agreement and shall not disclose Confidential Information or any advice given by it to the State to any third party, except with the State's prior written consent or under a valid order of a court or governmental agency of competent jurisdiction and then only upon timely notice to the State. The State may require that Contractor's officers, employees, agents or subcontractors agree in writing to the obligations contained in this section. Confidential Information shall be returned to the State upon termination of this Agreement. The confidentiality obligation

contained in this section shall survive termination of this Agreement. Confidential Information shall not include data or information that:

A. Is or was in the possession of Contractor before being furnished by the State, provided that such information or other data is not known by Contractor to be subject to another confidentiality agreement with or other obligation of secrecy to the State;

B. Becomes generally available to the public other than as a result of disclosure by Contractor; or

C. Becomes available to Contractor on a non-confidential basis from a source other than the State, provided that such source is not known by Contractor to be subject to a confidentiality agreement with or other obligation of secrecy to the State.

26. **USE OF THE STATE OF IDAHO NAME:** Contractor shall not, prior to, in the course of, or after performance under this Agreement, use the State's name in any advertising or promotional media, including press releases, as a customer or client of Contractor without the prior written consent of the State.

27. **APPROPRIATION BY LEGISLATURE REQUIRED:** The State is a government entity and this Agreement shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State's Legislature as may exist from time to time. The State reserves the right to terminate this Agreement in whole or in part (or any order placed under it) if, in its sole judgment, the Legislature of the State of Idaho fails, neglects, or refuses to appropriate sufficient funds as may be required for the State to continue such payments, or requires any return or "give-back" of funds required for the State to continue payments, or if the Executive Branch mandates any cuts or holdbacks in spending. All affected future rights and liabilities of the parties hereto shall thereupon cease within ten (10) calendar days after notice to the Contractor. It is understood and agreed that the State's payments herein provided for shall be paid from Idaho State Legislative appropriations.

28. **FORCE MAJEURE:** Neither party shall be liable or deemed to be in default for any Force Majeure delay in shipment or performance occasioned by unforeseeable causes beyond the control and without the fault or negligence of the parties, including, but not restricted to, acts of God or the public enemy, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, or unusually severe weather, provided that in all cases the Contractor shall notify the State promptly in writing of any cause for delay and the State concurs that the delay was beyond the control and without the fault or negligence of the Contractor. The period for the performance shall be extended for a period equivalent to the period of the Force Majeure delay. Matters of the Contractor's finances shall not be a Force Majeure.

29. **GOVERNING LAW AND SEVERABILITY:** This Agreement shall be construed in accordance with and governed by the laws of the State of Idaho. Any action to enforce the provisions of this Agreement shall be brought in State district court in Ada County, Boise, Idaho. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.

30. **ENTIRE AGREEMENT:** This Agreement is the entire agreement between the parties with respect to the subject matter hereof. Where terms and conditions specified in the Contractor's response differ from those specifically stated in this Agreement, the terms and conditions of this Agreement shall apply. In the event of any conflict between these standard terms and conditions and any special terms and conditions applicable to this acquisition, the special terms and conditions will govern. This Agreement may not be released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

31. **PRIORITY OF DOCUMENTS:** This Agreement consists of and precedence is established by the order of the following documents:

    1. This Agreement;

    2. The Solicitation; and

    3. Contractor's proposal as accepted by the State.

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

The Solicitation and the Contractor's proposal accepted by the State are incorporated herein by this reference. The parties intend to include all items necessary for the proper completion of the scope of work. The documents set forth above are complementary and what is required by one shall be binding as if required by all. However, in the case of any conflict or inconsistency arising under the documents, a lower numbered document shall supersede a higher numbered document to the extent necessary to resolve any such conflict or inconsistency. Provided, however, that in the event an issue is addressed in one of the above mentioned documents but is not addressed in another of such documents, no conflict or inconsistency shall be deemed to occur.

Where terms and conditions specified in the Contractor's proposal differ from the terms in this Solicitation, the terms and conditions of this Solicitation shall apply. Where terms and conditions specified in the Contractor's proposal supplement the terms and conditions in this solicitation, the supplemental terms and conditions shall apply only if specifically accepted by the Division of Purchasing in writing.

32. **PUBLIC RECORDS:** Pursuant to Idaho Code Section 9-335, et seq., information or documents received from the Contractor may be open to public inspection and copying unless exempt from disclosure. The Contractor shall clearly designate individual documents as "exempt" on each page of such documents and shall indicate the basis for such exemption. The State will not accept the marking of an entire document as exempt. In addition, the State will not accept a legend or statement on one (1) page that all, or substantially all, of the document is exempt from disclosure. The Contractor shall indemnify and defend the State against all liability, claims, damages, losses, expenses, actions, attorney fees and suits whatsoever for honoring such a designation or for the Contractor's failure to designate individual documents as exempt. The Contractor's failure to designate as exempt any document or portion of a document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any such release. If the State receives a request for materials claimed exempt by the Contractor, the Contractor shall provide the legal defense for such claim.

33. **NOTICES:** Any notice which may be or is required to be given pursuant to the provisions of this Agreement shall be in writing and shall be hand delivered, sent by facsimile, prepaid overnight courier or United States' mail as follows. For notice to the State, the address and facsimile number are:

    State of Idaho
    Division of Purchasing
    650 W State Street – Room B15
    P.O. Box 83720
    Boise, ID 83720-0075
    208-327-7465 (phone)
    208-327-7320 (fax)

    For notice to the Contractor, the address or facsimile number shall be that contained on the Contractor's bid, quotation or proposal. Notice shall be deemed delivered immediately upon personal service or facsimile transmission (with confirmation printout), the day after deposit for overnight courier or forty-eight (48) hours after deposit in the United States' mail. Either party may change its address or facsimile number by giving written notice of the change to the other party.

34. **NON-WAIVER:** The failure of any party, at any time, to enforce a provision of this Agreement shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

35. **ATTORNEYS' FEES:** In the event suit is brought or an attorney is retained by any party to this Agreement to enforce the terms of this Agreement or to collect any moneys due hereunder, the prevailing party shall be entitled to recover reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith in addition to any other available remedies.

36. **RESTRICTIONS ON AND WARRANTIES – ILLEGAL ALIENS:** Contractor warrants that any contract resulting from this Solicitation is subject to Executive Order 2009-10 [http://gov.idaho.gov/mediacenter/execorders/eo09/eo_2009_10.html]; it does not knowingly hire or engage any illegal aliens or persons not authorized to work in the United States; it takes steps to verify that it does not

hire or engage any illegal aliens or persons not authorized to work in the United States; and that any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach and shall be cause for the imposition of monetary penalties up to five percent (5%) of the contract price, per violation, and/or termination of its contract. If its contract is for the provision of services or for the sale or lease/licensing of computer software, Contractor further warrants that its contract is subject to Executive Order 2007-09 [http://gov.idaho.gov/mediacenter/execorders/eo07/eo_2007_09.html] and that it must notify the Division of Purchasing in advance if, during the term of its contract, it seeks to shift services or work that it represented would be done inside the United States to outside the United States. Failure to obtain the consent of the Division of Purchasing for such shift constitutes a material breach

B.

Frontier's Response to Request for Proposal

FRONTIER.

Frontier Airlines, Inc.
Frontier Center One
7001 Tower Road
Denver, CO 80249

P 720.374.4200
F 720.374.4375

frontierairlines.com

March 23, 2012

Mike Carr
Senior Buyer
Boise State University
1910 University Drive
Boise, ID 83725

RE: CONTRACT PROPOSAL - RFP - MC12-115 Air Charter

Dear Mr. Carr,

We are pleased to bid on Boise State University's 2012 football travel. We accept and agree to comply with the requirements of the RFP and the attachments, and the State of Idaho Standard Contract Terms and Conditions. Our Corporate Tax ID number is 84-1256945.

We are in compliance with affirmative action and equal employment regulations.

The RFP was received independently without collusion, consultation, communication, or agreement with any other offeror as to any matter concerning pricing. Additionally, we have not employed any company or person other than an employee of Frontier Airlines to prepare the pricing for this RFP. The Frontier employee preparing the pricing and proposal is Alane Anderson, Frontier Airlines Charter Sales Analyst.

Frontier Airlines is not currently suspended, debarred or otherwise excluded from federal or state procurement or non-procurement programs. Frontier Airlines does not knowingly hire or engage any illegal aliens or persons not authorized to work in the United States.

This proposal will be firm and binding for ninety days from the proposal opening date.

Please note that information required on Attachments 4A, 4B, and 4C, can be found at:
http://edgar.sec.gov/Archives/edgar/data/1159154/000115915412000009/rjet12311110k.htm
I have included the Balance Sheet from this document. You may find the information you need for the Attachments beginning on page 52.

Sincerely,

Alane Anderson

Alane Anderson
Charter Sales
Alane.Anderson@FlyFrontier.com
(720) 374-4274

A whole different animal.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Republic Airways Holdings Inc.
Indianapolis, Indiana

We have audited the accompanying consolidated balance sheets of Republic Airways Holdings Inc. and subsidiaries (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for each of the three years in the period ended December 31, 2011. We have also audited the internal control over financial reporting of the Company as of December 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting included in Item 9A. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements including examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Republic Airways Holdings Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ DELOITTE & TOUCHE LLP
Indianapolis, Indiana
March 15, 2012

REPUBLIC AIRWAYS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2011 AND 2010
(In millions, except share and per share amounts)

	2011	2010
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 219.3	$ 291.2
Restricted cash	151.4	139.1
Receivables—net of allowance for doubtful accounts of $0.6 and $1.2, respectively	89.0	73.9
Inventories—net	101.8	94.6
Prepaid expenses and other current assets	64.2	56.4
Assets held for sale	33.0	43.5
Deferred income taxes	35.3	27.1
Total current assets	694.0	725.8
Aircraft and other equipment—net	2,808.7	3,173.5
Maintenance deposits	146.0	147.2
Other intangible assets—net	86.5	143.2
Other assets	166.5	159.0
Total	$ 3,901.7	$ 4,348.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 284.6	$ 269.0
Accounts payable	43.9	43.8
Air traffic liability	179.5	174.9
Deferred frequent flyer revenue	68.2	51.0
Accrued liabilities	258.8	246.6
Total current liabilities	835.0	785.3
Long-term debt—less current portion	2,074.5	2,308.7
Deferred frequent flyer revenue	68.1	102.3
Deferred credits and other non current liabilities	110.4	108.1
Deferred income taxes	353.2	434.7
Total liabilities	3,441.2	3,739.1
Commitments and contingencies	—	—
Stockholders' Equity:		
Preferred stock, $.001 par value; 5,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock, $.001 par value; one vote per share; 150,000,000 shares authorized; 58,097,574 and 58,062,574 shares issued and 48,412,516 and 48,173,058 shares outstanding, respectively	—	—
Additional paid-in capital	409.4	405.4
Treasury stock, 9,333,266 shares at cost, respectively	(181.8)	(181.8)
Accumulated other comprehensive loss	(4.0)	(2.7)
Accumulated earnings	236.9	388.7
Total Stockholders' Equity	460.5	609.6

Total	$ 3,901.7	$ 4,348.7

See accompanying notes to consolidated financial statements.

REPUBLIC AIRWAYS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(In millions, except per share amounts)

	2011	2010	2009
OPERATING REVENUES:			
Fixed-fee service	$ 1,079.0	$ 1,030.3	$ 1,180.2
Passenger service	1,694.5	1,541.3	421.0
Cargo and other	91.0	82.1	41.0
Total operating revenues	2,864.5	2,653.7	1,642.2
OPERATING EXPENSES:			
Wages and benefits	560.6	549.9	342.4
Aircraft fuel	821.1	616.9	236.6
Landing fees and airport rents	167.7	170.7	96.9
Aircraft and engine rent	251.5	240.6	156.8
Maintenance and repair	297.2	255.8	211.5
Insurance and taxes	42.1	45.5	28.1
Depreciation and amortization	200.2	204.5	163.6
Promotion and sales	133.6	134.8	36.3
Goodwill impairment	—	—	113.8
Other impairment charges	191.1	11.5	8.8
Gain on bargain purchase	—	—	(203.7)
Other	305.0	290.1	179.7
Total operating expenses	2,970.1	2,520.3	1,370.8
OPERATING INCOME (LOSS)	(105.6)	133.4	271.4
OTHER INCOME (EXPENSE):			
Interest expense	(137.3)	(151.7)	(145.0)
Other—net	0.5	(3.2)	9.8
Total other expense	(136.8)	(154.9)	(135.2)
INCOME (LOSS) BEFORE INCOME TAXES	(242.4)	(21.5)	136.2
INCOME TAX EXPENSE (BENEFIT)	(90.6)	(7.7)	99.8
NET INCOME (LOSS)	(151.8)	(13.8)	36.4
Add: Net loss attributable to noncontrolling interest in Mokulele Flight Service Inc.	—	—	3.3
NET INCOME (LOSS) OF THE COMPANY	$ (151.8)	$ (13.8)	$ 39.7
NET INCOME (LOSS) PER COMMON SHARE - BASIC	$ (3.14)	$ (0.38)	$ 1.15
NET INCOME (LOSS) PER COMMON SHARE - DILUTED	$ (3.14)	$ (0.38)	$ 1.13

See accompanying notes to consolidated financial statements.

REPUBLIC AIRWAYS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(In millions)

		Republic Airways Holdings Inc. Stockholders					
	Other Comprehensive Income (Loss)	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Accumulated Earnings	Noncontrolling Interest	Total
Balance at January1, 2009	—	$ 297.4	$ (181.8)	$ (2.6)	$ 362.8	$ —	$475.8
Stock compensation expense		5.2					5.2
Decrease in Republic's APIC for purchase of Mokulele Flight Services, Inc. common stock from noncontrolling interest		(3.3)				3.3	—
Net income	$ 36.4				39.7	(3.3)	36.4
Reclassification adjustment for loss realized on derivatives, net of tax	0.4			0.4			0.4
Comprehensive income	$ 36.8						
Balance at December 31, 2009	—	299.3	(181.8)	(2.2)	402.5	—	517.8
Stock compensation expense		4.1					4.1
Exercise of employee stock options		0.1					0.1
Common stock offering, net		101.9					101.9
Net loss	$ (13.8)				(13.8)	—	(13.8)
Pension and other postretirement plans, net of tax	(0.9)			(0.9)			(0.9)
Reclassification adjustment for loss realized on derivatives, net of tax	0.4			0.4			0.4
Comprehensive loss	$ (14.3)						
Balance at December 31, 2010	—	405.4	(181.8)	(2.7)	388.7	—	609.6
Stock compensation expense		5.7					5.7
Other		(1.7)					(1.7)
Net loss	$ (151.8)				(151.8)		(151.8)
Pension and other postretirement plans, net of tax	(1.5)			(1.5)			(1.5)
Reclassification adjustment for loss realized on derivatives, net of tax	0.2			0.2			0.2
Comprehensive loss	$ (153.1)						
Balance at December 31, 2011		$ 409.4	$ (181.8)	$ (4.0)	$ 236.9	$ —	$460.5

See accompanying notes to consolidated financial statements.

REPUBLIC AIRWAYS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(In millions)

	2011	2010	2009
OPERATING ACTIVITIES:			
Net income (loss)	$ (151.8)	$ (13.8)	$ 36.4
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Goodwill and other impairment charges	191.1	11.5	122.6
Gain on bargain purchase	—	—	(203.7)
Depreciation and amortization	200.2	204.5	163.6
Debt issue costs and other amortization	8.0	10.0	8.4
Curtailment gain and non-cash pension expense	—	—	(7.5)
Deferred revenue amortization	(7.2)	(7.2)	(10.8)
(Gain) loss on aircraft, slots and other equipment sales and disposals	(0.1)	4.8	4.9
Loss on extinguishment of debt	4.9	4.4	—
Stock compensation expense	5.7	4.1	5.2
Deferred income taxes	(90.7)	(5.7)	101.7
Other, net	(4.1)	3.9	1.4
Changes in certain assets and liabilities:			
Restricted cash	(13.2)	54.1	9.6
Receivables	(9.6)	(7.7)	(4.3)
Inventories	(7.7)	(15.1)	(15.6)
Prepaid expenses and other current assets	(5.0)	(12.8)	(3.6)
Accounts payable and accrued liabilities	15.7	(8.7)	(20.0)
Air traffic liability	6.5	36.6	(15.7)
Deferred frequent flyer liability	(18.7)	(1.5)	7.5
Other, net	7.5	(4.9)	(11.5)
Net cash from operating activities	131.5	256.5	168.6
INVESTING ACTIVITIES:			
Purchase of aircraft and other equipment	(105.9)	(58.7)	(40.0)
Proceeds from sale of aircraft, slots, and other equipment	142.3	77.4	72.9
Aircraft deposits	(22.4)	(28.8)	(5.5)
Aircraft deposits returned	12.0	—	14.5
Funding of notes receivable	—	—	(61.1)
Acquisition of Frontier, net of cash acquired	—	—	25.2
Acquisition of Midwest, net of cash acquired	—	—	(1.9)
Advances from aircraft and other equipment agreements	—	12.4	—
Other, net	(2.4)	0.2	(0.7)
Net cash from investing activities	23.6	2.5	3.4
FINANCING ACTIVITIES:			
Payments on debt	(208.5)	(214.4)	(145.7)
Proceeds from refinancing of aircraft and issuance of debt	70.7	49.3	75.1
Proceeds from common stock offerings, net	—	101.9	—
Payments on early extinguishment of debt	(88.0)	(60.0)	(70.9)
Proceeds from exercise of stock options	—	0.1	—
Payments for debt issue costs	(1.2)	(2.2)	(2.7)

Net cash from financing activities	(227.0)	(125.3)	(144.2)
Net changes in cash and cash equivalents	(71.9)	133.7	27.8
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	291.2	157.5	129.7
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 219.3	$ 291.2	$ 157.5

See accompanying notes to consolidated financial statements.

REPUBLIC AIRWAYS HOLDINGS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009

1. ORGANIZATION & BUSINESS

We are a Delaware holding company organized in 1996 that offers scheduled passenger services through our wholly-owned operating air carrier subsidiaries: Chautauqua Airlines, Inc. ("Chautauqua"), Shuttle America Corporation ("Shuttle"), Republic Airline Inc. ("Republic Airline") and Frontier Airlines, Inc. ("Frontier"). Unless the context indicates otherwise, the terms the "Company," "we," "us," or "our," refer to Republic Airways Holdings Inc. and our subsidiaries.

As of December 31, 2011, our operating subsidiaries offered scheduled passenger service on 1,483 flights daily to 132 cities in 42 states, Canada, Mexico, and Costa Rica under our Frontier operations and through fixed-fee code-share agreements with AMR Corp., the parent of American Airlines, Inc. ("American"), Continental Airlines, Inc. ("Continental"), Delta Air Lines, Inc. ("Delta"), United Air Lines, Inc. ("United"), and US Airways, Inc. ("US Airways") (collectively referred to as our "Partners"). Currently, we provide our Partners with fixed-fee regional airline services, operating as AmericanConnection, Continental Express, Delta Connection, United Express, or US Airways Express, including service out of their hubs and focus cities.

The following table outlines the type of aircraft our subsidiaries operate and their respective operations within our business units as of December 31, 2011:

Operating Subsidiaries	Aircraft Size	Frontier	Fixed-Fee Code-Share Agreement Partners: American	Continental	Delta	United	US Airways	Spares	Number of Aircraft
Chautauqua Airlines	37 to 50	6	15	8	24	—	9	11	73
Shuttle America	70 to 76	—	—	—	30	38	—	—	68
Republic Airline	69 to 99	21	—	—	—	—	58	1	80
Frontier	120 to 162	60	—	—	—	—	—	—	60
Total number of operating aircraft		87	15	8	54	38	67	12	281

During 2011, our operational fleet increased from 275 to 281. The Company took delivery of eight A320 aircraft, two E190 aircraft, placed into service three A319 aircraft, sold five A318 aircraft, four of which have remained in the fleet under sale leaseback agreements, and sold one Q400. The Company also returned two E145 aircraft and three E135 aircraft to the lessors. Included in the operational fleet there are eleven ERJ aircraft and one E170 aircraft that operated as charter service, serve as operational spares, or are temporarily parked. We continue to look for opportunities to redeploy spare aircraft into our fixed-fee business, or outright sell or sublease these aircraft to another airline.

Our branded operations consist of all Airbus operations at Frontier; and includes aircraft operated by Chautauqua and Republic marketed as Frontier. Frontier, which we purchased out of bankruptcy in 2009, is a low-fare carrier that has the second largest market share in Denver, CO.

We have fixed-fee regional jet code-share agreements with each of our Partners that are subject to us maintaining specified performance levels. Pursuant to these fixed-fee agreements, which provide for minimum aircraft utilization at fixed rates, we are authorized to use our Partners' two-character flight designation codes to identify our flights and fares in our Partners' computer reservation systems, to paint our aircraft in the style of our Partners, to use their service marks and to market ourselves as a carrier for our Partners. Our fixed-fee agreements have historically limited our exposure to fluctuations in fuel prices, fare competition and passenger volumes. Our development of relationships with multiple major airlines has enabled us to reduce our dependence on any single airline, allocate our overhead more efficiently among our Partners and reduce the cost of our services to our Partners.

US Airways Code-Share Agreements

Under our fixed-fee Jet Services Agreements with US Airways, we operated, as of December 31, 2011, nine E145 aircraft, 20 E170 aircraft and 38 E175 aircraft. As of December 31, 2011, we were providing 427 flights per day as US Airways Express.

C.

Scope of Work Proposal

SCOPE OF WORK PROPOSAL

EXHIBIT 1 - BIDDING SCHEDULE

1. Michigan State
   August 31

Approximate Flight Time: 3 hr 50 min BOI-LAN Airport: LAN – Lansing

Roundtrip price: $128,171 Type of Aircraft: Airbus 320 Leg room: See attached seat map

Carrier: Frontier Airlines Fuel gallons burned per flight hour: 770 gallon per hour

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: $3.25 Return Flight: $3.25

Total flight hours (including deadheads): Outgoing flight 8.40 hours Return Flight: 8.40 hours

Aircraft seating 167 passengers **35,000 lb payload BOI-LAN**
35,000 lb payload LAN-BOI

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2. Southern Mississippi
   October 6

Approximate Flight Time: 4 hours BOI-PIB Airport PIB – Hattiesburg, MS

Roundtrip price: $130,851 Type of Aircraft Airbus 320 Leg room: See attached seat map

Carrier: Frontier Airlines Fuel gallons burned per flight hour: 770 gallon per hour

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: $3.25 Return Flight: $3.25

Total flight hours (including deadheads): Outgoing flight 8.58 hours Return Flight: 8.58 hours

Aircraft seating 167 passengers **35,000 lb payload BOI-PIB**
34,135 lb payload PIB-BOI

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3. Nevada Reno

Approximate Flight Time: 1 hour BOI-RNO Airport RNO - Reno

Roundtrip price: $79,749 Type of Aircraft: Airbus 319 Leg room: See attached seat map

Carrier: Frontier Airlines Fuel gallons burned per flight hour: 720 gallon per hour

Fuel cost assumption, per gallon, included in bid price: Outgoing flight: $3.25 Return Flight: $3.25

Total flight hours (including deadheads): Outgoing flight: 5.08 Return Flight: 5.08

Aircraft seating 137 passengers **31,000 lb payload BOI-RNO**
31,000 lb payload RNO-BOI

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4. University of Wyoming

Approximate Flight Time: 1 hour 3 min BOI-LAR Airport LAR - Laramie

Roundtrip price: $72,963 Type of Aircraft: Airbus 319 Leg room: See attached seat map

Carrier: Frontier Airlines Fuel gallons burned per flight hour: 720 gallon per hour

Fuel cost assumption, per gallon, included in bid price: $3.25 Return Flight: $3.25

Total flight hours (including deadheads): Outgoing flight: 4.08 Return Flight: 4.08

Aircraft seating 137 passengers **31,000 lb payload BOI-LAR**
31,000 lb payload LAR-BOI

5. University of New Mexico

Approximate Flight Time: 1 hr 10 min BOI-ABQ Airport ABQ - Albuquerque

Roundtrip price: $82,328 Type of Aircraft: Airbus 319 Leg room: See attached seat map

Carrier: Frontier Airlines Fuel gallons burned per flight hour: 720 gallon per hour

Fuel cost assumption, per gallon, included in bid price: $3.25 Return Flight: $3.25

Total flight hours (including deadheads): Outgoing flight: 5.27 hr Return Flight: 5.27 hr

Aircraft seating 137 passengers **31,000 lb payload BOI-ABQ**
31,000 lb payload ABQ-BOI

EXHIBIT 2 – EQUIPMENT LIST

The following equipment MAY travel with the team to each game:

Item	Quantity	Weight
Players' Bags	65	28 lbs. each
Equipment Trunks	1	250 lbs., Dimensions: 45.5 x 25.5 x 33
	1	240 lbs., Dimensions: 45.5 x 25.5 x 33
	1	175 lbs., Dimensions: 37 x 27 x 31.5
Kicking Net	1	45 lbs. each
Bags/Footballs	1	30 lbs. each
Tool Kit	1	50 lbs. each
Trainer Equip. Bags	4	35 lbs. each
Trainer Equipment Trunks	2	150 lbs. each, Dimensions: 40 x 24 x 32
Trainer Kits	2	45 lbs. each
Trainer Ice Chest	1	20 lbs.
Trainer Water Cooler	2	20 lbs. each
Headset Trunk	1	250 lbs., Dimensions: 24 x 27 x 45
	1	200 lbs., Dimensions: 40 x 24 x 32
	1	125 lbs., Dimensions: 20 x 22 x 31
Video/VCR Case	1	111 lbs.
DVD/Case	1	80 lbs.
	1	50 lbs.
Camera Cases	3	150 lbs. total
Tripod Cases	2	40 lbs. total
Misc		50 lbs. total
TOTAL CARGO WEIGHT		4,206 lbs. – approximate
Players Bags – Carry On	120	15 lbs. each
TOTAL WEIGHT		**6,006 lbs. - approximate**

EXHIBIT 3
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTIONS.

1. The prospective Contractor certifies that, to the best of its knowledge and belief, it and its principals:

   A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

   B. Have not within a three-year period preceding this proposal been convicted or had a civil judgment rendered against them for commission of fraud performing a public (Federal, State, or Local) transaction or contract under a public transaction: violation, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

   C. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (1.)(B.) of this certification; and

   D. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, state, or Local) terminated for cause or default.

2. Where the prospective Contractor is unable to certify to any of the statements in this certification, such prospective Contractor shall attach an explanation to this proposal.

Proposal Identification CONTRACT PROPOSAL – RFP - MC12-115 Air Charter

Signature: Alane Anderson Date: 3-26-12

Name & Title: Alane Anderson, Charter Sales Analyst

Company name: Frontier Airlines

SIGNATURE PAGE

THIS SHEET MUST BE FILLED OUT, SIGNED AND RETURNED WITH RESPONSE.

THE UNDERSIGNED HEREBY OFFERS TO SELL TO BOISE STATE UNIVERSITY THE SPECIFIED PROPERTY AND/OR SERVICES, IF THIS QUOTE IS ACCEPTED WITHIN A REASONABLE TIME FROM DATE OF CLOSING, AT THE PRICE SHOWN IN OUR QUOTE AND UNDER ALL THE TERMS AND CONDITIONS CONTAINED IN, OR INCORPORATED BY REFERENCE, INTO THE BOISE STATE UNIVERSITY'S SOLICITATION.

SUBMISSION OF A QUOTE TO BOISE STATE UNIVERSITY CONSTITUTES AND SHALL BE DEEMED AN OFFER TO SELL TO BOISE STATE UNIVERSITY THE SPECIFIED PROPERTY AND/OR SERVICES AT THE PRICE SHOWN IN THE QUOTE AND UNDER THE STATE OF IDAHO'S TERMS AND CONDITIONS.

AS THE UNDERSIGNED, I ALSO CERTIFY I AM AUTHORIZED TO SIGN THIS QUOTE FOR THE VENDOR AND THE QUOTE IS MADE WITHOUT CONNECTION TO ANY PERSON, FIRM, OR CORPORATION MAKING A QUOTE FOR THE SAME GOODS AND/OR SERVICES AND IS IN ALL RESPECTS FAIR AND WITHOUT COLLUSION OR FRAUD.

NO LIABILITY WILL BE ASSUMED BY BOISE STATE UNIVERSITY FOR A VENDOR'S FAILURE TO OBTAIN THE TERMS AND CONDITIONS IN A TIMELY MANNER FOR USE IN THE VENDOR'S RESPONSE TO THIS SOLICITATION OR ANY OTHER FAILURE BY THE VENDOR TO CONSIDER THE TERMS AND CONDITIONS IN THE VENDOR'S RESPONSE TO THE SOLICITATION.

Return with completed bid:

Please complete the following information:

VENDOR (Company Name) FRONTIER AIRLINES, INC.

ADDRESS 7001 Tower Road

CITY Denver STATE Colorado ZIP CODE 80249

TOLL-FREE #________________ PHONE # 720-374-4274

FAX # 720-374-9313 EMAIL Alane. Anderson@FlyFrontier.com

FEDERAL TAX ID # 84-1256945

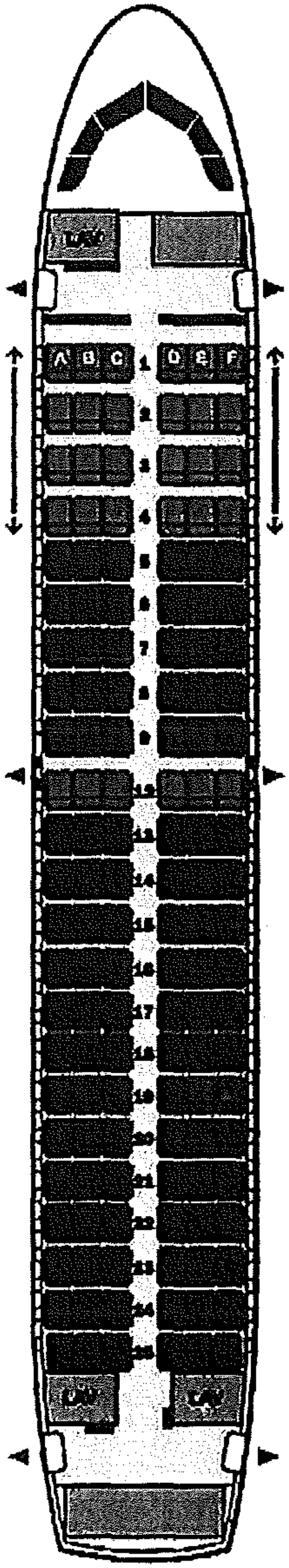
SIGNATURE PAGE MUST BE SIGNED & RETURNED FOR RESPONSE TO BE CONSIDERED.

Alane Anderson	3-26-12
Signature	Date
Alane Anderson	Charter Sales Analyst
Please type or print name	Title

FRONTIER

Airbus A319

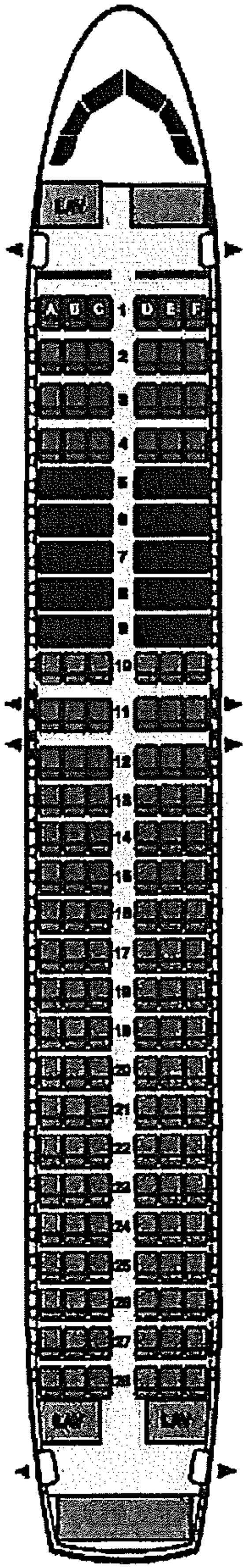
138 Seats



STRETCH Seating
36 inches deep
18 inches wide

Standard Seating
31 inches deep
18 inches wide

STRETCH Seating
Row 12



FRONTIER

Airbus A320

168 leather seats

STRETCH Seating
36" deep (Rows 1-4)
38" deep (Rows 11-12)

SELECT Seating
30 to 31" deep

STANDARD Seating
30" deep

Seating in all rows is 18" wide.

Exit

Lavatory

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BOISE STATE UNIVERSITY

SUBJECT

Transition four Twin Falls baccalaureate programs to the self-support funding model

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies and Procedures, Section V. R. 3. b. v.

BACKGROUND/DISCUSSION

Boise State University is seeking approval to convert four baccalaureate programs offered at the College of Southern Idaho in Twin Falls to the self-support funding model for fiscal year 2014. Moving the programs to the self-support model will give the University the flexibility needed to direct Twin Falls students' tuition and fees back into the programs and services these students utilize. Under the current traditional model, tuition and fee revenues paid by Twin Falls students are handled like all other students' tuition and fees, with funds distributed to the University Student Union, Rec Center, and other facilities and programs that these students do not use. By implementing a self-support model, the tuition and fees paid by Twin Falls students can be used instead to enhance the programs and services these students actually receive and use.

The University has successfully operated its Master of Social Work program in Twin Falls using the self-support model for the past four years.

IMPACT

The greatest impact of this transition will be stronger programs for Twin Falls students. Student fees will directly benefit the programs and services they utilize. This change will not result in increased fees for the vast majority of students. The self-support fees that students pay for these programs will mirror Boise State University's per-credit tuition for appropriated undergraduate programs. Therefore, it is estimated that more than 90% of Twin Falls students (all those taking between 1-12 credits) will pay the same amount under this plan as they do currently (see Attachment 1). The remaining 10% of students who take more than 12 credits will end up paying slightly more because in a self-support program fees increase as costs increase which occurs with every additional credit of instruction delivered.

ATTACHMENTS

STAFF COMMENTS AND RECOMMENDATIONS

Boise State offers the following Bachelor's degree programs in Twin Falls:

- Bachelor of Business Administration – Accountancy

- Bachelor of Business Administration – General Business
- Bachelor of Arts or Science – Criminal Justice
- Bachelor of Social Work

Courses are offered in a variety of alternative time periods and formats that include evenings, weekends, afternoons, videoconferencing, and internet. Typically, Boise State professors drive weekly to Twin Falls to teach the courses. Some courses are taught by adjunct faculty which many times are CSI faculty.

The Board's Chief Academic Officer and Chief Fiscal Officer met with University staff prior to submission of this agenda item to discuss this proposal. Board staff believes this is an appropriate application of the self-support fee and recommends approval.

BOARD ACTION

I move to approve the request by Boise State University to move the following Twin Falls baccalaureate programs to the self-support model effective fiscal year 2014:

- Bachelor of Business Administration – Accountancy
- Bachelor of Business Administration – General Business
- Bachelor of Arts or Science – Criminal Justice
- Bachelor of Social Work

Moved by __________ Seconded by __________ Carried Yes _____ No _____

ATTACHMENT 1 FUNDING MODEL COMPARISON

Distribution of Boise State Student Fees in Twin Falls

Current Model

Students pay $252 per credit

Per-credit revenue is distributed as follows:

--General Building Fee	13.50
--SUB Construction Fee	2.70
--Residence Hall Construction Fee	5.70
--Facilities Fee	23.50
--Health and Wellness Center Facility	4.00
--Information Technology Fee	8.65
--Intercollegiate Athletics	10.40
--Student Health Center	4.10
--Student Union Operations	6.40
--Student Life	3.35
--Associate Student Body	1.28
--University News	0.40
--Student Programs Board	0.50
--Campus Recreation	4.52
--Alumni Activities	0.30
--Volunteer Services Board	1.90
--Marching Band	9.75
--Student Diversity and Inclusion	4.50
--Career Center	.25
--Tuition/per-credit fee	$160.47

Proposed Self-Support Model (estimated)

Students pay $252 per credit

Per-credit revenue is distributed as follow:

--Twin Falls instruction, staffing, and support for departments delivering courses	$235.00
--Administrative Service Charge to cover indirect expenses	$15.00

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BOISE STATE UNIVERSITY

SUBJECT

Six-Year Capital Improvement Plan Amendment

APPLICABLE STATUTE, RULE OR POLICY

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

BACKGROUND/DISCUSSION

Continuing evaluation of facility needs and development of Boise State University's (BSU) Capital Improvement plan have led to the identification of new projects to be included in the Six-Year Capital Improvement Plan. The projects are consistent with the Campus Master Plan. To keep the Board apprised of these planning efforts and consistent with V.K.2.c, the University is requesting approval of the amended Six-Year Capital Improvement Plan.

Revisions to the Six-Year Plan include addition of a Fine Arts building ($25 million), Multi-Use Facility for Athletics and Kinesiology ($25 million), Student Union Food Service expansion ($1 million), and renovations to two classroom spaces in the Engineering & Technology building ($1.5 million).

IMPACT

University planning staff and, as needed, independent consultants will complete studies necessary to develop space plans and confirm budget projections to inform required requests for approval from the Board for individual projects as specified in Section V.K.

ATTACHMENTS

Attachment 1 – Six-Year Capital Improvement Plan Amendment Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Pursuant to Board policy, institutions under the governance of the Board wishing to undertake capital construction projects shall submit to the Board for its approval a six-year capital construction plan. While Board approval of a Plan does not constitute approval of a project included in the Plan, adoption of a Plan or an amended Plan is not a perfunctory exercise. A Board-approved Plan constitutes notice to the Board that an institution may bring a request at a later date for Board approval of one or more of the projects included in its approved Plan. A Board-approved Plan also authorizes an institution to solicit, accept or commit a gift or grant in support of a specific major project on the Plan.

BSU has added two major buildings to its six-year capital plan: Fine Arts building and Multi-Use Facility for Athletics and Kinesiology. The University would like to begin conducting studies to evaluate space allocation, etc. and thought it prudent to bring forward an amended six-year plan to put the Board on notice.

BOARD ACTION

I move to approve the Six-Year Capital Improvement Plan as amended for Boise State University.

Moved by __________ Seconded by ___________ Carried Yes ______ No ______

Set C

SIX YEAR CAPITAL IMPROVEMENT PLAN
FY 2014 THROUGH FY 2019

($ in 000's)

Institution: Boise State University

Project Title	Est. Cost	*Prev. Fund.*	FY2014 PBF	FY2014 Other	FY2014 Total	FY2015 PBF	FY2015 Other	FY2015 Total	FY2016 PBF	FY2016 Other	FY2016 Total	FY2017 PBF	FY2017 Other	FY2017 Total	FY2018 PBF	FY2018 Other	FY2018 Total	FY2019 PBF	FY2019 Other	FY2019 Total
Science & Research Building (2nd of 4 building science complex) Plannir	1,800		1,800		1,800															
Math/Geo Building Renovation	5,800			5,800	5,800															
Alumni Center (comprehensive campaign)	12,000			12,000	12,000															
Arts and Humanities Institute - Planning and Prelim. Design	1,800		1,800		1,800															
Former Business Building Renewal and Renovation	9,000		9,000		9,000															
Science & Research Building (2nd of 4 building science complex) Design	62,000					31,000	31,000	62,000												
Bronco Stadium Expansion and Improvements	28,000						28,000	28,000												
Science & Research Building (3rd of 4 building science complex)	70,600					600		600				35,000	35,000	70,000						
Arts and Humanities Institute - Design and Construction	40,000								40,000		40,000									
Parking Structure (1500 space @ 16,000)	24,000								24,000		24,000									
Administrative Services Building	23,000								1,000		1,000	22,000		22,000						
Health Sciences Building	30,500														30,500		30,500			
New Student Housing (900 beds @$40,000)	36,000														36,000		36,000			
Athletics/Kinesiology Multi-Use Facility	25,000																	25,000		25,000
Fine Arts Building	25,000																	25,000		25,000
	394,500	0	12,600	17,800	30,400	31,600	59,000	90,600	65,000	0	65,000	57,000	35,000	92,000	66,500	0	66,500	50,000	0	50,000

Project Title	Est. Cost
Other, not currently scheduled priorities	
YFRP - Phase 2 (KBSU Production) and Site Improvements	3,000
Special Events Center Upgrade	3,000
Science Building Improvements for Research	6,000
Downtown Partnership Developments	not defined
Potential West of Capitol Partnership Development	not defined
Demo Facilities Vacated by CWI (Applied and Mech Tech Bldgs)	2,200
Develop Recreation Fields and Campus Quad Spaces	4,700
Construction Management Building	2,500
Student Union Food Service Expansion	1,000
Engineering & Technology Room 103 & 110	1,500
	20,900

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IDAHO STATE UNIVERSITY

SUBJECT

Idaho State University (ISU) requests authorization for issuance of general revenue refunding bonds.

REFERENCES

February 1998	The Board approved issuance of general revenue bonds for the construction of the Idaho Falls Student Union Building, to replace the field house at Davis Field, to refund a portion of 1992 facility fee bonds, and to approve the Supplemental Resolution.
June 2003	The Board approved issuance tax-exempt revenue bonds to finance the University's portion of the Rendezvous Center, to finance energy savings improvements, to refund two bank notes issued to purchase student housing facilities, and to refund the outstanding Revenue Bonds, Series 1993 and the outstanding Revenue Bonds, Series 1995 in order to take advantage of lower interest rates and achieve a debt service savings.
August 2004	The Board approved issuance of general revenue bonds to finance additional project costs on the construction of the Rendezvous Center.
September 2004	The Board approved issuance of general revenue bonds to finance the acquisition of the land and improvements comprising University Place in Idaho Falls.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Polices & Procedures, Section V.F.
Section 33-3804, Idaho Code

BACKGROUND/DISCUSSION

The Series 2012 Bonds are being issued by the University to (i) refund certain outstanding bonds of the University to achieve debt service savings and (ii) pay the costs of issuance of the Series 2012 Bonds. The Series 2012 Bonds are issued solely for refinancing purposes; there are no new capital projects or other new funding related to the Series 2012 Bonds.

The Series 2012 Bond refinancing provides for the current refunding of all of the remaining $5,030,000 principal amount of the University's Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998 which mature April 1, 2017 and April 1, 2022 (the "Series 1998 Refunded Bonds").

The Series 2012 Bond refinancing also provides for the advance refunding of:

(i) $21,340,000 principal amount of the University's General Refunding and Improvement Revenue Bonds, Series 2003, with maturity dates and principal amounts ranging from 2014 to 2023;

(ii) $2,890,000 principal amount of the University's General Revenue Bonds, Series 2004A, with maturity dates and principal amounts ranging from 2015 to 2023 ; and

(iii) $485,000 principal amount of the University's General Revenue Bonds, Series 2004B, which mature April 1, 2023.

Principal Amount

Approximately $28,680,000

Maturities

To be determined the day of pricing, but (i) likely will be April 1, 2013-23 and (ii) will not extend beyond the final maturity of the refunded bonds.

Interest Rates

To be determined the day of pricing.

Source of Security

Existing specific and General Revenues pledge by the University, excluding appropriated funds, grants and contract revenues and restricted gifts.

Documents to be provided at the Board Meeting

Once pricing is concluded, the University will provide the following:

1. Bond sizing analysis showing final amounts, interest rates, debt service savings and maturities on the Series 2012 Bonds;

2. Final Supplemental Bond Resolution showing rates and maturities of the Series 2012 Bonds; and

3. Update to the Bond Purchase Agreement showing bond rates and maturities.

ATTACHMENTS

IMPACT

The refunding of the Series 1998, Series 2003, Series 2004A, and Series 2004B in the aggregate principal amount of approximately $28,680,000 would result in a debt service net present value savings in the amount of approximately $2,700,000.

STAFF COMMENTS AND RECOMMENDATIONS

Prior to the issuance of the Series 2012 Bonds, the University had $65,255,000 of Bonds outstanding secured by pledged revenues as of June 30, 2011. Upon issuance of the Series 2012 Bonds the University's total bonded indebtedness would be $60,845,000 as of June 1, 2012.

ISU's current debt service as a percent of operating budget is 3.7%. The Board has informally considered 8% as a debt service ceiling. Even without refinancing, ISU projects its ratio should improve for FY2012. Since the refinancing will reduce ISU's debt service and there are no plans for incurring new debt in the near future, ISU's debt ratio should improve again for FY2013.

ISU completed a rating agency review with Moody's in October 2011 (A-1 rating was reaffirmed). With this bond refinancing, ISU updated the Moody's review and had a review with S&P as well. ISU anticipates ratings announcements from the agencies prior to the June Board meeting.

Staff recommends approval.

BOARD ACTION

I move to approve a Supplemental Resolution for the Series 2012 Bonds, the title of which is as follows:

> A SUPPLEMENTAL RESOLUTION of the Board of Trustees of Idaho State University authorizing the issuance and sale of General Revenue and Refunding Bonds, Series 2012, in the principal amount of up to $28,280,000; authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2012 Bonds.

A roll call vote is required.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

PRELIMINARY OFFICIAL STATEMENT DATED JUNE ___, 2012

NEW ISSUE – Issued in Book-Entry-Only Form

Ratings: Moody's "_____"
S&P "_____"
(See "Ratings" herein)

In the opinion of Ballard Spahr LLP, Bond Counsel to Idaho State University, (the "University"), assuming continuing compliance with the requirements of the federal tax laws, interest on the Series 2012 Bonds is excludable from gross income for federal income tax purposes and is not a preference item for purposes of either individual or corporate federal alternative minimum tax; however, interest paid to corporate holders of the Series 2012 Bonds may be indirectly subject to alternative minimum tax under circumstances described under "TAX MATTERS" herein. Bond Counsel is also of the opinion that interest on the Series 2012 Bonds is exempt from State of Idaho income taxes. See "TAX MATTERS" herein.

$28,680,000*
IDAHO STATE UNIVERSITY
GENERAL REVENUE REFUNDING BONDS, SERIES 2012

Dated: Date of Delivery **Due: April 1, as shown on the inside cover**

The $28,680,000* Idaho State University General Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds") are issued as fully registered bonds and, when delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2012 Bonds. Ownership interests in the Series 2012 Bonds will be in minimum denominations of $5,000 and multiples thereof. Beneficial Owners of the Series 2012 Bonds will not receive physical bonds, but will receive a credit balance on the books of the nominees of such purchasers. Interest on the Series 2012 Bonds is payable on April 1 and October 1 of each year, commencing October 1, 2012. Principal, prepayment premium, if any, and interest due with respect to the Series 2012 Bonds will be payable by U.S. Bank National Association, as Trustee, to DTC, which will, in turn, remit such principal, prepayment premium, if any, and interest due with respect to the Series 2012 Bonds.

The Series 2012 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity as described herein.

The Series 2012 Bonds are being issued by the University to (i) refund certain outstanding bonds of the University to achieve debt service savings, and (ii) pay the costs of issuance of the Series 2012 Bonds.

The State Board of Education, acting as the Board of Trustees for Idaho State University (the "Board") serves as the governing body for the University. Under Idaho law, the Board is a body politic and corporate and an independent instrumentality of the State of Idaho. The Series 2012 Bonds are being issued under a supplemental bond resolution (the "Supplemental Resolution") to be adopted by the Board on June __, 2012. The Series 2012 Bonds are being issued as "Additional Bonds" pursuant to a Resolution adopted by the Board on September 17, 1992, providing for the issuance of revenue bonds, as amended and restated (the "Original Resolution"). The Original Resolution provided for the issuance of an initial series of revenue bonds and authorized the issuance of additional series of revenue bonds pursuant to Supplemental Resolutions, if certain conditions are met. See "SECURITY FOR THE SERIES 2012 BONDS" herein. The Original Resolution, as previously amended and supplemented and as amended and supplemented by the Supplemental Resolution, is referred to herein as the "Resolution." The revenue bonds issued pursuant to the Resolution, including the Series 2012 Bonds, are collectively referred to herein as the "Bonds." The Bonds are secured by a pledge of the Board to levy and collect certain student fees known as the Student Facilities Fee/Facilities and the Tuition Fee (formerly referred to as the Matriculation Fee), plus Revenues of the Housing System and CAES Base Rent (each as defined in the Resolution), and certain other revenues. See "SECURITY FOR THE SERIES 2012 BONDS" herein.

The Series 2012 Bonds are limited obligations of the Board and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other than the University and then only to the extent herein described. The Board is not authorized to levy or collect any taxes or assessments other than the revenues and fees described herein to pay the Series 2012 Bonds. The Board has no taxing power.

The Series 2012 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale and to the delivery of an approving opinion by Ballard Spahr LLP, as Bond Counsel, and to other conditions. Certain legal matters will be passed upon for the University by University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. Certain legal matters will be passed on for the Board and the University by the office of the Attorney General of the State. Certain legal matters will be passed upon for the Underwriter by its counsel Hawley Troxell Ennis and Hawley LLP, Boise, Idaho. It is expected that the Series 2012 Bonds will be available for delivery on or about July __, 2012.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement is dated _______________, 2012 and the information contained herein speaks only as of that date.

Barclays

* Preliminary; subject to change.

$28,680,000*

IDAHO STATE UNIVERSITY
GENERAL REVENUE REFUNDING BONDS, SERIES 2012

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

Due (April 1)	Principal Amount*	Interest Rate	Yield	CUSIP[1]
2013	$1,285,000	%	%	451470 ___
2014	1,965,000			
2015	2,455,000			
2016	2,550,000			
2017	2,650,000			
2018	2,760,000			
2019	2,875,000			
2020	2,455,000			
2021	3,000,000			
2022	3,175,000			
2023	3,510,000			

[$__________ _____% Term Bond Due April 1, 20___; Price ___%; CUSIP No. 451470 _____ [1]]

* Preliminary; subject to change.

(1) CUSIP data contained herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the University or the Underwriter, and are included solely for the convenience of the holders of the Series 2012 Bonds. Neither the Board nor the University is responsible for the use of CUSIP numbers, nor is a representation made as to the accuracy of the CUSIP numbers. The CUSIP numbers are contained herein solely for the convenience of the readers of this Official Statement.

No dealer, broker, salesperson or other person has been authorized by the Board, the University or by the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board, the University or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2012 Bonds, nor shall there be any sale of the Series 2012 Bonds by any person in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the Board, the University, DTC and certain other sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion contained herein are subject to change without notice. Any statements made in this Official Statement involving matters of opinion or estimates or forecasts, whether or not so expressly stated, are set forth as such and not as representations of fact or representations that estimates will be realized.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICES OF THE SERIES 2012 BONDS. SUCH TRANSACTIONS MAY INCLUDE OVERALLOTMENTS IN CONNECTION WITH THE UNDERWRITING, THE PURCHASE OF SERIES 2012 BONDS TO STABILIZE THEIR MARKET PRICES, THE PURCHASE OF SERIES 2012 BONDS TO COVER UNDERWRITER SHORT POSITIONS AND THE IMPOSITION OF PENALTY BIDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or the University since the date hereof.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2012 Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

This Official Statement contains “forward-looking statements” that are based upon the University’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” estimate,” “intend,” “expect,” “scheduled,” “pro forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the University. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The University has no plans to issue any updates or revise these forward-looking statements based on future events.

$28,680,000*
IDAHO STATE UNIVERSITY
GENERAL REVENUE REFUNDING BONDS, SERIES 2012

THE IDAHO STATE BOARD OF EDUCATION AND
THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY

BOND COUNSEL

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Salt Lake City, Utah 84111
(801)531-3000
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IDAHO STATE UNIVERSITY

Director for Treasury, Investments, Tax,
Real Estate & Policy
921 South 8th Avenue, Stop 8219
Pocatello, Idaho 83209-8219
(208) 282-2404
(208) 282-4725 (Fax)

TRUSTEE, PAYING AGENT AND REGISTRAR

U.S. Bank National Association
170 South Main Street, Suite 200
Salt Lake City, Utah 84101
(801) 534-6083
(801) 534-6013 (Fax)

UNDERWRITER

Barclays
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104
(206) 344-5838
(212) 520-0837 (Fax)

* Preliminary; subject to change.

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OFFICIAL STATEMENT

RELATING TO

$28,680,000*
IDAHO STATE UNIVERSITY
GENERAL REVENUE REFUNDING BONDS, SERIES 2012

INTRODUCTION

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. See "APPENDIX A" for definitions of certain words and terms used herein. See "APPENDIX B" for a summary of certain provisions of the Resolution (as defined below).

The attached Appendices are integral parts of this Official Statement and should be read in their entirety: "APPENDIX A—GLOSSARY OF CERTAIN TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT"; "APPENDIX B—SUMMARY OF THE RESOLUTION"; "APPENDIX C—STUDENT FEE AND TUITION SCHEDULE"; "APPENDIX D—FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2010 AND 2011 AND INDEPENDENT AUDITOR'S REPORT"; "APPENDIX E—FORM OF OPINION OF BOND COUNSEL"; "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM"; and "APPENDIX G—FORM OF CONTINUING DISCLOSURE AGREEMENT."

Idaho State University

Idaho State University (the "University") is a publicly supported multi-disciplinary institution of higher education located in Pocatello, Idaho. It has served the citizens of the State of Idaho (the "State") since 1901, when it was first established as the Academy of Idaho. It was renamed the Idaho Technical Institute in 1915 and reorganized as the Southern Branch of the University of Idaho in 1927. It became Idaho State College in 1947, and was established as Idaho State University in 1963. The University is governed by the State Board of Education, whose members serve as the Board of Trustees for the University (the "Board"). In addition to the University Place campus in Idaho Falls, the University operates outreach centers in Meridian and Twin Falls.

Authorization and Purpose of the Official Statement

This Official Statement, including the cover page and the financial and other information contained in the Appendices hereto, is furnished in connection with the offering of the University's General Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). The University is authorized by the Educational Institutions Act of 1935, Chapter 38, Title 33 Idaho Code, together with Section 57-504 of the Idaho Code, as amended (together, the "Act"), to issue bonds to refund bonds previously issued by the University. The Series 2012 Bonds are being issued pursuant to such statutory authorization and pursuant to the supplemental resolution (the "Supplemental Resolution") to be adopted by the Board on June _____, 2012. The Series 2012 Bonds are being issued as "Additional Bonds" under a bond resolution adopted September 17, 1992, as amended and restated on August 12, 2004 (the "Original Resolution"). The Original Resolution, together with the Supplemental Resolution and the previous supplemental resolutions authorizing the issuance of Additional Bonds, are referred to collectively herein as the "Resolution."

* Preliminary; subject to change.

Purpose of the Series 2012 Bonds

The Series 2012 Bonds are being issued by the University to (i) refund certain outstanding bonds of the University to achieve debt service savings and (ii) pay the costs of issuance of the Series 2012 Bonds. See "PLAN OF REFUNDING" herein.

Outstanding Parity Bonds

Pursuant to the Original Resolution, to provide funds to finance and refinance certain projects, the University has previously issued various bonding series, a portion of which are currently outstanding (collectively, the "Outstanding Parity Bonds"). The Series 2012 Bonds will be issued on a parity with the Outstanding Parity Bonds and any additional bonds, notes or other obligations that may be issued from time to time under the Original Resolution (the "Additional Bonds"), such that the Series 2012 Bonds, Outstanding Parity Bonds and Additional Bonds will be payable from and secured by an equal lien pledge of the Pledged Revenues (defined herein). See "SECURITY FOR THE SERIES 2012 BONDS" herein. The Series 2012 Bonds, the Outstanding Parity Bonds and any Additional Bonds are collectively referred to herein as the "Bonds."

Payment and Security for the Series 2012 Bonds

The Series 2012 Bonds are secured on a parity with the Outstanding Parity Bonds by a pledge of the Pledged Revenues, as designated by the Board, including the University's Tuition Fee, formerly referred to as the Matriculation Fee (the "Tuition Fee"), the Student Facilities Fee/Facilities (the "Student Facilities Fee/Facilities"), Revenues of the Housing System and CAES Base Rent, (as defined in the Resolution), all investment income derived from the Revenue Fund and the Bond Fund, and proceeds from the sale of a series of bonds and money and investment earnings thereon. Hereinafter, the Tuition Fee and the Student Facilities Fee/Facilities are referred to collectively as the "Pledged Fees." See "SECURITY FOR THE SERIES 2012 BONDS" herein.

Redemption

The Series 2012 Bonds are subject to optional [and mandatory sinking fund] redemption as described under the caption "THE SERIES 2012 BONDS—Redemption" herein.]

Bondowners' Risks

The purchase of the Series 2012 Bonds involves investment risks, certain of which are described in this Official Statement.

Registration, Manner of Payment

The Series 2012 Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as initial securities depository of the Series 2012 Bonds. Purchases of Series 2012 Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Series 2012 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2012 Bonds.

Principal and purchase price (as applicable) of, premium, if any, and interest on the Series 2012 Bonds are payable through U.S. Bank National Association, as Paying Agent and Registrar, to DTC, which will in turn be responsible to remit such principal and interest to its Participants, for subsequent disbursements to the Beneficial Owners of the Series 2012 Bonds, as described under the caption "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM" hereto.

Conditions of Delivery, Anticipated Date, Manner and Place of Delivery

The Series 2012 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter subject to the approval of legality by Ballard Spahr LLP, as Bond Counsel to the University, and certain other conditions. Certain legal matters will be passed upon for the University by University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. Certain legal matters will be passed upon for the Underwriter by its counsel Hawley Troxell Ennis and Hawley LLP, Boise, Idaho. It is expected that the Series 2012 Bonds, in book-entry form, will be available for delivery to DTC or its agent on or about July __, 2012.

Continuing Disclosure

The University, for the benefit of the owners and Beneficial Owners of the Series 2012 Bonds, has covenanted to provide certain annual information and notice of the occurrence of certain events in order to enable the Underwriter to make the determinations required by Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). See "CONTINUING DISCLOSURE" herein and "APPENDIX G—FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

Contact Persons

The chief contact person for the University concerning the Series 2012 Bonds is:

Mr. Roger H. Egan
Director for Treasury, Investments, Tax, Real Estate & Policy
Idaho State University
921 South 8th Avenue, Stop 8219
Pocatello, Idaho 83209-8219
Telephone: (208) 282-2512
Fax: (208) 282-4725
E-mail: eganroge@isu.edu

The chief contact person for the Underwriter concerning the Series 2012 Bonds is:

Mr. Richard B. King
Director
Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104
Telephone: (206) 344-5838
Fax: (212) 520-0837
E-mail: richard.b.king@barclays.com

Other Matters

The descriptions and summaries of the Resolution, the Series 2012 Bonds and various other documents herein set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to such documents. Capitalized terms used, but not otherwise defined, herein have the same meaning as ascribed to them in the Resolution. Descriptions of the Resolution and the Series 2012 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. See "APPENDIX B—SUMMARY OF THE RESOLUTION" herein.

THE SERIES 2012 BONDS

Description of the Series 2012 Bonds

The Series 2012 Bonds will be dated the date of their delivery and are issuable in fully registered form, book-entry-only, in the aggregate principal amount of $28,680,000*. The Series 2012 Bonds bear interest from the date of issuance, payable semiannually on April 1 and October 1 of each year, commencing October 1, 2012. Payment will be made to Beneficial Owners through the Book-Entry-Only System described below. For a further description of certain terms of the Resolution authorizing the issuance of the Series 2012 Bonds, please refer to "APPENDIX B—SUMMARY OF THE RESOLUTION."

Redemption

Optional Redemption. The Series 2012 Bonds maturing on or prior to April 1, 20___ are not subject to redemption prior to maturity. The Series 2012 Bonds maturing on or after April 1, 20___ are subject to redemption prior to maturity at the option of the University in whole or in part on any date on and after _______________ and if in part, in such order of maturity as may be directed by the University at a redemption price equal to 100% of the principal amount of the Series 2012 Bonds to be redeemed plus accrued interest to the date of redemption.

[Mandatory Sinking Fund Redemption. The Series 2012 Bonds maturing on _______________ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (April 1)	Principal Amount

† Final maturity]

[Upon redemption of any Series 2012 Bonds maturing on April 1, 20___ other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2012 Bonds maturing on April 1, 20___, in such order of mandatory sinking fund date as shall be directed by the University.]

Notice of Redemption

When the Series 2012 Bonds are called for redemption notice must be sent by the Trustee, postage prepaid, by first class mail not less than thirty-five (35) nor more than sixty (60) days prior to the redemption date to the registered owners of the Series 2012 Bonds to be redeemed at the address shown on the Bond Register. As provided in the Resolution, the Trustee may give further notice of redemption at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to certain registered national securities depositories and national information services; provided, however that no defect in such further notice or failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption.

Each notice of redemption may further state, in the case of optional redemption, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Series 2012 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and such Series 2012 Bonds shall not be required to be

* Preliminary; subject to change.

redeemed. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Book-Entry-Only System

The Series 2012 Bonds will be available only in book-entry-only form in the principal amounts shown on the inside cover page of this Official Statement. The Depository Trust Company ("DTC") will act as Securities Depository for the Series 2012 Bonds. The ownership of one fully registered Series 2012 Bond for each maturity as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of each maturity of the Series 2012 Bonds, will be registered in the name of Cede & Co., as nominee for DTC. See "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM."

Funds and Accounts Created under the Resolution

The Revenue Fund. The Resolution creates the Revenue Fund to be held by the University into which Pledged Revenues shall be deposited. Monies in the Revenue Fund shall be disbursed in the following order of priority:

1. To transfer to the Trustee for deposit in the Debt Service Account of the Bond Fund for payment of any interest, principal, or redemption premium, if any, coming due on the Bonds;

2. Amounts remaining in the Revenue Fund in excess of the amounts necessary to make payments required by subsection (1) above may be applied by the University, free and clear of the lien of the Resolution, for any other lawful purpose of the University.

The Bond Fund. The Resolution creates a Bond Fund consisting of a Debt Service Account held by the Trustee to be used for paying the principal of, premium, if any, and interest on the Bonds.

The Construction Fund. The Resolution provides for a Construction Fund to be held, disbursed and invested by the University, into which proceeds from any series of Bonds issued to fund Projects being built or acquired with a series of Bonds issued under the Resolution are deposited. Upon completion of a Project, any unexpended monies held in the Construction Fund will be transferred to the Debt Service Account of the Bond Fund.

The Series 2012 Bonds Cost of Issuance Fund. The Supplemental Resolution creates the Series 2012 Bonds Cost of Issuance Fund to be held by the University for costs of issuance of the Series 2012 Bonds to be paid from.

The Rebate Fund. The Resolution creates a Rebate Fund to be held and administered by the University, separate and apart from other funds and accounts of the University. The University shall make deposits into the Rebate Fund of all amounts necessary to make payments to the United States required under the Code.

Additional Bonds

The Resolution currently provides that Additional Bonds (such as the Series 2012 Bonds) secured by Pledged Revenues may be issued by the University upon the satisfaction of various conditions specified therein. The amount of Additional Bonds that may be issued is limited neither by law nor by the Resolution.

The Resolution provides for the issuance of Additional Bonds to finance Projects or to refund the Bonds or Additional Bonds issued under the Resolution upon satisfaction of certain conditions.

In connection with the issuance of Additional Bonds to finance Projects, the University is required to file, among other things, the following documents with the Trustee:

1. a copy of the Supplemental Resolution authorizing such Additional Bonds;

2. a certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms or provisions of the Resolution or any of the Bonds;

3. a Written Certificate of the University signed by an Authorized Officer of the University, setting forth the then estimated completion date and the then estimated cost of construction of the Project(s), if any, being financed by the Additional Bonds;

4. either (a) an Accountant's Certificate which demonstrates that, for any twelve-month period in the preceding twenty-four months, Revenues Available for Debt Service shall have equaled at least 110% of the Maximum Annual Debt Service for all Bonds then Outstanding and any Additional Bonds proposed to be issued; or

(b) a Written Certificate of the University showing that Estimated Revenues Available for Debt Service (assuming completion of the proposed Project on its then estimated Completion Date) will equal at least 110% of the Maximum Annual Debt Service on all Bonds then Outstanding and the Additional Bonds proposed to be issued for (i) each of the Fiscal Years of the University during which any of the Bonds will be Outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized; or (ii) the University's current Fiscal Year and any succeeding Fiscal Year during which any of the Bonds will be Outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized.

In addition to Additional Bonds issued to finance Projects as described above, the University may issue Additional Bonds (such as the Series 2012 Bonds) for the purpose of refunding any Outstanding Parity Bonds, provided that the Debt Service in each year on the refunding bonds does not exceed by more than $25,000 the Debt Service on the Bonds to be refunded.

Payment Agreements

As described in "APPENDIX B" hereto, under the caption "Payment Agreements," the University is permitted under the Resolution to enter into swaps and other derivatives (as described in the definition of Payment Agreements contained therein) under requirements substantially similar to those for the issuance of Additional Bonds and taking into account the payments and receipts expected with respect to the Payment Agreement. The University currently has no Payment Agreements outstanding and currently has no intent of entering into a Payment Agreement within the foreseeable future.

SECURITY FOR THE SERIES 2012 BONDS

The Series 2012 Bonds are secured by Pledged Revenues pursuant to the Resolution on a parity with all Bonds issued under the Resolution. Pledged Revenues include: (i) Pledged Fees; (ii) Revenues of the Housing System and CAES Base Rent; (iii) other revenues of other University enterprises or sources of funds as shall be designated by the Board; (iv) any investment income derived from the Revenue Fund and the Bond Fund; and (v) proceeds from the sale of a series of Bonds and money and investment earnings thereon. In addition, the University has covenanted that Revenues Available for Debt Service will equal 110% of Annual Debt Service on a year by year basis. See also "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE" herein. Pledged Revenues do not include State appropriations, which by law cannot be pledged.

Pledged Fees

The Board is empowered to establish and collect tuition charges for students attending the University and to establish and collect student fees from both resident and non-resident students. The Pledged Fees consist of the University's Tuition Fee, formerly referred to as the Matriculation Fee (the "Tuition Fee") and the Student Facilities Fee/Facilities (the "Student Facilities Fee/Facilities"). Student fees and tuition charges are not subject to a referendum by students or approval by any other governmental entity. The Board has established a policy that the University may not request more than a 10% annual increase in the total full-time student fees unless otherwise authorized by the Board. Although Board policy provides that fee changes will be considered when appropriate or necessary, the Board has traditionally adjusted fees annually, with fee adjustments effective for the subsequent fall term each year. The 2012-2013 fee schedule, which was approved by the Board at the April 2012 Board meeting is attached as "APPENDIX C—STUDENT FEE AND TUITION SCHEDULE." See "SOURCES OF FUNDING FOR THE UNIVERSITY—Fees and Tuition" for a comparison of full-time fees over the fiscal years 2009 through 2013.

Pursuant to the Resolution, the University's two largest fees, Tuition and the Student Facilities Fee/Facilities, are pledged to the Bonds. Below is a description of each fee and the estimated revenue generated.

Student Facilities Fee/Facilities. The Student Facilities Fee/Facilities is an existing student fee charged to full-time students established by the Board and constitutes a portion of Pledged Revenues under the Resolution. For the fiscal years 2011 and 2012, the Student Facilities Fee/Facilities rate is $243 per student, per semester for full-time students, and produced revenue of $4,189,215 for the fiscal year ending June 30, 2011, and is expected to produce $4,302,324 for the fiscal year ending June 30, 2012. The Student Facilities Fee/Facilities is $255 per student, per semester for full-time students for the fiscal year ending June 30, 2013.

Tuition. Tuition is an existing fee charged to full-time and part-time students attending the University and is pledged under the Resolution. The Tuition Fee was previously referred to (including in the Resolution) as the Matriculation Fee. This fee is used to provide general operating revenues for the University. The Tuition fee for the 2011-2012 academic year was $2,089.76 per semester for each full-time student and $248.45 per semester-hour for part-time and summer-session students. The University received $42,600,426 in Revenues from Tuition in the fiscal year ended June 30, 2011, and expects to receive approximately $46,860,469 in the fiscal year ending June 30, 2012. For the fiscal year ending June 30, 2013, the tuition fee is $2,208.51 per student, per semester for full-time students.

Revenues of the Housing System

The University owns and operates all student housing facilities on the Pocatello campus. See "THE UNIVERSITY—Student Housing" herein. Housing fees for residence hall residents for the 2011-2012 academic year range from $2,680 to $3,100 per semester per student and include the cost of meal plans, in which housing residents are required to participate. Housing fees for residence hall residents for the 2012-2013 academic year range from $2,801 to $3,211 per semester. Housing fees for suite-style residence hall rooms for the 2011-2012 academic year are $383 per month, which does not include the cost of meal plans. Housing fees for suite-style residence hall rooms for the 2012-2013 academic year will increase to $401 per month. Housing fees for residents of University apartments for the 2011-2012 academic year range from $490 to $605 per month, which does not include the costs of meal plans. For the 2012-2013 academic year these fees will increase to $490 to $625. Revenues of the Housing System for the fiscal years ending June 30, 2010 and June 30, 2011 were $4,951,674 and $5,104,221 respectively, and are expected to be approximately $5,332,968 for the fiscal year ending June 30, 2012. As the Resolution provides for a pledge of the Revenues of the Housing System for payment of debt service prior to the payment of operation and maintenance costs of the Housing System, these numbers reflect gross revenues of the Housing System. The Housing System has shown increasing profits on a net revenue basis for each of the past four fiscal years and is on schedule to maintain this trend for fiscal year 2012.

CAES Project and CAES Lease Payments

In 2006, the University issued its General Revenue Bonds (Federally Taxable), Series 2006 (the "Series 2006 Bonds") to finance the construction of a facility to house the Center for Advanced Energy Studies at the Idaho Falls Center for Higher Education Campus (the "CAES Project"), which jointly occupied by a consortium of the three Idaho research universities and Battelle Energy Alliance, LLC ("BEA"). Pursuant to a Lease Agreement dated as of October 23, 2006 between the University and BEA (the "CAES Lease"), the University has leased to BEA approximately 70% of the CAES Project and BEA has agreed to pay lease payments (the "CAES Lease Payments") which are intended to equal the payments of principal and interest on the Series 2006 Bonds. Under certain circumstances, payment of the CAES Lease Payments under the CAES Lease is guaranteed by Battelle Memorial Institute and the Washington Group International. The consortium remains in place with all members intact. The CAES Lease Payments have, to date, been made as scheduled. For the 2012 fiscal year, the CAES Lease Payments total approximately $850,000.

Use of Pledged Revenues and Other Revenues Not Otherwise Obligated

After the University has made the payments and deposits required under the Resolution, amounts remaining in the Revenue Fund in excess of the amounts necessary to make the required payments thereunder may be used for any legal purpose of the University, including the redemption or purchase of the Bonds, subject to policies adopted by the Board.

Limited Obligation

The Series 2012 Bonds are limited obligations of the Board and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other than the University and then only to the extent herein described. The Board is not authorized to levy or collect any taxes or assessments other than the revenues and fees described herein to pay the Series 2012 Bonds. The Board has no taxing power.

PLAN OF REFUNDING

A portion of the proceeds from the sale of the Series 2012 Bonds is being used to provide funds sufficient to refund certain outstanding bonds of the University to achieve debt service savings. See "ESTIMATED SOURCES AND USES OF FUNDS" set forth below.

The Supplemental Resolution provides for the current refunding of all of the remaining $5,030,000* principal amount of the University's Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998 which mature April 1, 2017 and April 1, 2022 (the "Series 1998 Refunded Bonds").

The Supplemental Resolution also provides for the advance refunding (i) of $21,340,000* principal amount of the University's General Refunding and Improvement Revenue Bonds, Series 2003, with maturity dates and principal amounts as shown below (the "Series 2003 Refunded Bonds"); (ii) of $2,890,000* principal amount of the University's General Revenue Bonds, Series 2004A, with maturity dates and principal amounts as shown below (the "Series 2004A Refunded Bonds"); and (iii) of $485,000* principal amount of the University's General Revenue Bonds, Series 2004B, with maturity dates and principal amounts as shown below (the "Series 2004B Refunded Bonds").

The Series 2003 Refunded Bonds*

Maturity (April 1)	Principal	Interest Rate
2014**	$1,040,000	5.00%
2015**	1,880,000	5.00
2016**	1,975,000	5.00
2017**	2,070,000	5.00
2018**	2,175,000	5.00
2019**	2,290,000	5.00
2020**	1,875,000	5.00
2021	2,410,000	4.25
2022	2,510,000	4.25
2023	3,115,000	5.00

** Partially refunded.

* Preliminary; subject to change.

The Series 2004A Refunded Bonds*

Maturity (April 1)	Principal	Interest Rate
2015	$275,000	4.000%
2016	285,000	4.000
2017	295,000	4.000
2018	305,000	4.000
2019	320,000	4.000
2020	330,000	4.125
2021	345,000	4.250
2022	360,000	4.250
2023	375,000	4.375

The Series 2004B Refunded Bonds*

Maturity (April 1)	Principal	Interest Rate
2023	$265,000	4.625%

The Series 1998 Refunded Bonds, the Series 2003 Refunded Bonds, the Series 2004A Refunded Bonds, and the Series 2004B Refunded Bonds are collectively referred to herein as the "Refunded Bonds."

The Supplemental Resolution authorizing the Series 2012 Bonds authorizes the University to enter into an Escrow Agreement with respect to the Refunded Bonds (the "Escrow Agreement") with U.S. Bank National Association, as escrow agent. A portion of the proceeds of the Series 2012 Bonds will be deposited into the escrow account created under the Escrow Agreement for the Refunded Bonds (the "Escrow Account"). The amounts so deposited in the Escrow Account will be invested in governmental obligations of the United States of America or obligations whose principal and interest are unconditionally guaranteed by the United States of America maturing in amounts and at rates sufficient to pay, when due, the principal of and interest on all of (i) the Series 1998 Refunded Bonds through the redemption of the Series 1998 Refunded Bonds on October 1, 2012; (ii) the Series 2003 Refunded Bonds through the redemption thereof on April 1, 2013; (iii) the Series 2004A Refunded Bonds through the redemption thereof on April 1, 2014; and (iv) the Series 2004B Refunded Bonds through the redemption thereof on October 1, 2014.

Certain mathematical computations regarding the sufficiency of and the yield on the investments held in the Escrow Account will be verified by The Arbitrage Group, Inc. Certified Public Accountants. See "ESCROW VERIFICATION" herein.

* Preliminary; subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2012 Bonds are as follows:

Sources

Par Amount of Series 2012 Bonds	$
[Plus/Less original issue premium/discount]	
Total	$

Uses

Deposit to Escrow Account	$
Costs of Issuance[1]	
Total	$

[1] Including underwriter's discount, legal fees, trustee fees, escrow agent fees, escrow verification fees, rating agency fees, printing fees and other miscellaneous costs of issuance.

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DEBT SERVICE SCHEDULE

The following table sets forth the Annual Debt Service Requirements for the Outstanding Parity Bonds and the Series 2012 Bonds:

	Series 2012 Bonds			
Fiscal Year	Principal*	Interest[1]	Outstanding Parity Bonds[1, 2]*	Total Debt Service[1]
2013	$1,285,000		$4,396,752	
2014	1,965,000		3,355,946	
2015	2,455,000		2,817,757	
2016	2,550,000		2,823,309	
2017	2,650,000		2,820,308	
2018	2,760,000		2,824,011	
2019	2,875,000		2,816,961	
2020	2,455,000		2,825,852	
2021	3,000,000		2,384,677	
2022	3,175,000		2,335,699	
2023	3,510,000		2,179,339	
2024	–		2,401,902	
2025	–		2,405,649	
2026	–		2,400,067	
2027	–		2,400,382	
2028	–		1,651,418	
2029	–		805,956	
2030	–		806,463	
2031	–		809,888	
2032	–		811,675	
2033	–		356,825	
2034	–		361,388	
Total	$28,680,000		$46,792,217	

(1) Amounts are rounded to the nearest dollar.
(2) See “SOURCES OF FUNDING FOR THE UNIVERSITY—University Debt.”
* Preliminary; subject to change.

HISTORICAL PLEDGED REVENUES AND DEBT SERVICE

The following table shows the amounts of revenues pledged under the Resolution on a historical basis. The table also presents Debt Service on all Bonds secured by Pledged Revenues for the fiscal years ended June 30, 2007-2012. The information presented is derived from the University's internal records used to prepare its financial statements and may differ slightly from the audited financial statements.

Revenues[1]	2007	2008	2009	2010	2011	Estimated 2012
Housing System Revenues	$3,524,614	$4,237,734	$4,598,791	$4,951,674	$5,104,221	$5,332,968
Pledged Fees:						
Tuition	27,147,385	28,450,604	31,145,718	37,433,993	42,600,426	46,860,469
Student Facilities Fee/Facilities	3,654,015	3,584,696	3,655,546	4,103,373	4,189,215	4,302,324
CAES Lease Payment	–	–	522,857	850,104	850,104	850,104
Investment Income[2]	546,881	804,250	144,404	10,864	–	–
Total Revenues Available for Debt Service	$34,872,895	$37,077,284	$40,067,316	$47,350,008	$52,743,966	$57,345,865
Total Debt Service Requirements	4,801,273	5,853,980	6,366,294	6,684,613	6,684,556	6,690,048

(1) Amounts have been rounded.
(2) Includes interest on undisbursed Bond proceeds.

THE UNIVERSITY

Idaho State University, a Carnegie-classified doctoral research and teaching institution founded in 1901, attracts students from around the world to its Idaho campuses. At the main campus in Pocatello, Idaho and at locations in Meridian, Idaho Falls and Twin Falls, the University offers access to high-quality education and training in more than 280 programs. Almost 14,500 students attend the University (including students enrolled in non-traditional programs such as high school dual enrollment programs, work-force training programs, and less than semester-length programs). The University is housed in approximately 100 buildings on 1,140 acres in the city of Pocatello, which serves as an economic center for the southeastern part of the State.

The University serves a diverse population that includes traditional students entering the University directly from high school, non-traditional students who have delayed their university education, working professionals and senior citizens. The University provides both general education and specialized programs in the arts, humanities, sciences, the professions and technologies. Bachelor's and master's degrees are awarded in a variety of fields by the Colleges of Arts and Letters, Business, Education, Science and Engineering, Technology, as well as the Graduate School and the Division of Health Professions. Terminal degrees offered include: Master of Business Administration; Master of Fine Arts; Doctor of Pharmacy; Doctor of Philosophy; Doctor of Arts; and Doctor of Education. Through its programs in pharmacy, health professionals and the Family Practice Medical Residency, the University is a center for education in the health professions. The University also has the first Dental Residency Program and the first and only Dentistry Degree Program in the State.

Student Body

The University admits all Idaho residents who graduate from accredited high schools in the State with an overall grade point average of at least 2.5, or who received a math score of at least 18 on the ACT or 490 on the SAT, an English score of at least 18 on the ACT or 500 on the SAT writing exam, and who have successfully met all Idaho Core Requirements and statewide admission standards established by the Board. Approximately 89.3% of the University's fall 2011 student body were residents of Idaho. The table on the following page sets out certain statistics concerning the University's enrollment for the fall terms of the years indicated. The vast majority of the

University's students attend its main Pocatello campus; approximately 78% of fall 2011 enrollment, measured by head count, were located on the Pocatello campus. The remaining 22% are located on the Idaho Falls, Meridian, and Twin Falls campuses.

While the University's main campus in southeast Idaho serves students with a wide variety of programs in many locations through a variety of traditional and technological strategies, the University provides educational services to students in communities throughout the State. Many students take courses in more than one location; for example, they might complete general education requirements with the University in the Snake River Valley or Magic Valley, before completing a program on the main campus in Pocatello. Most off-site students are traditional, full-time undergraduate students, but many are mid-career professionals seeking new skills or other educational fulfillment by taking individual courses.

The University's Early College Program offers academic enrichment opportunities for qualified high school students. Dual or concurrent enrollment allows high school students to enroll in college level courses while continuing their high school courses and activities.

Five-Year Historical Enrollment Summary

	2007	2008	2009	2010	2011
Students	Fall Semester, 10th Day of Class				
Full Time Equivalents (FTE)	10,214	10,128	10,893	10,848	10,827
Head Count	13,208	12,653	13,493	12,595	12,587
Undergraduate Students	Academic Head Count 10th Day of Class, Fall Semester				
FTE	8,726	8,630	9,272	9,240	9,204
Head Count	11,024	10,547	11,258	10,526	10,536
Graduate Students					
FTE	1,488	1,498	1,621	1,608	1,623
Head Count	2,184	2,106	2,235	2,069	2,051
No. of Freshmen	Freshman Class Statistics, Fall Semester				
Applying	3,713	3,477	3,889	2,809(1)	3,253(1)
Accepted	2,978	2,695	2,846	2,596(2)	3,036(2)
Enrolled	2,720	2,397	2,477	1,642	1,828
Resident					
Average ACT Score	21	21	21	21	21
Average High School GPA	3.33	3.25	3.21	3.10	3.16
Percentage graduating in the top 25% of their high school class	34%	33%	31%	27%	28%

(1) In August 2010, the University implemented new resource planning software (the SunGard Banner Enterprise Resources Planning system) which, among other things, more accurately tracks student applications. The number of applications appears to drop under the new system because it does not include incomplete or otherwise rejected applications that had previously been counted.

(2) Freshman enrollment shows a decline from 2010 to 2011, primarily due to changes in how enrollment is calculated. Primary among these changes are (i) the new resource planning software mentioned in note (1) above caused anomalies in comparisons with previous years under the prior system (for example, second trimester registrations in the Early College Program for students who take year-long courses after the fall term reports are created are not counted in the fall statistics); (ii) the Idaho State Board of Education decided to stop counting high school students taking professional technical courses (known as Tech Prep) in the University's headcount numbers; and (iii) a priority enrollment system implemented in fall 2010 designed to

maximize classroom space and offer more options for students needing to add courses disenrolls students that have not paid fees prior to the 10th day of classes (prior to fall 2010, students were not disenrolled for non-payment prior to the tenth day, and were thus counted as enrolled). Notwithstanding the changes the University reports that overall applications and enrollments have increased or remained stable in 2010 and 2011.

(Source: The University.)

As the preceding information illustrates, full-time undergraduate enrollment at the University, based upon full-time equivalents (FTE), has had a net increase over the last five years. After experiencing an increase of 7.5% in 2009, FTE enrollment declined slightly, but remained relatively stable over the last two years. While total headcount for the fall of 2011 was essentially unchanged, the University experienced notable increases in enrollment categories where fees tend to be higher such as international students (up 52% or 490 vs. 322), health professions (5.5% increase in headcount and 7.2% increase in credit hours); and science and engineering (an increase of 4.0% in headcount).

To improve enrollment numbers, the University has implemented ongoing enhanced recruitment, retention and student success efforts. These efforts are starting to be felt particularly in the science, technology, engineering and math disciplines and in the health fields. Following are brief descriptions of some of the University's most important efforts in this area:

- The University Recruitment, Retention and Branding Task Force tracks student retention data and institutional activities to improve tracking of students who leave for the Armed Forces and church missions and find mechanisms to keep them with their cohort.

- The Early College Program, which offers college credit courses to high school students, launched a new era at the University with a presence on Facebook and Twitter and is exploring additional delivery methods for dual enrollment courses, including online and teleconferencing. These developments, along with an increased focus on articulation agreements with high schools in southeast Idaho, have resulted in increases in Early College Program headcount enrollment by 17.7% for fall 2011 (1,258 students in fall 2010 to 1,481 students in fall 2011).

- The new Career Path Internship program, which targets campus employment opportunities to student career paths, is being vastly expanded from $300,000 in fiscal year 2011, to $1,400,000 in fiscal year 2012.

- Additional initiatives include new credit-transfer and online articulation tools that provide online access to specific transfer credit and course information. A new transfer evaluation system provides a faster and streamlined process for transfer evaluation, facilitating transfer of credits from other schools. The University Veterans Sanctuary assists veterans with program selection and course registration, GI Bill educational benefits, and the transition from military to campus life. The University has developed targeting recruiting efforts to veterans nationwide.

- The University also shares its story through various media outlets. In addition to commercial advertising, the University publishes the *Idaho State University Magazine*. The University is the only university in the State to produce a television show that airs statewide on a major network. "Idaho State of Mind," a weekly 30-minute broadcast over Idaho Public Television, features the faculty and events at the University. The University also markets through the radio on a monthly program, "First Monday Forum," which showcases the best events and expertise at the University. The University licensing program has grown substantially. The University is also growing its social media presence and it currently connects to nearly 7,000 alumni, students and friends through Facebook.

Recent results of these efforts include (i) increased headcount for fall 2011 end of term in health sciences by 7.2%, (ii) increased headcount for fall 2011 end of term in science and engineering by 5.1%, and (iii) increased headcount for fall 2011 end of term in the College of Technology by 1.9%.

The University also notes that it has experienced an increase in overall freshmen enrollment (not just first-time full-time freshmen, but also transfer students and students who suspended their studies and are returning) of

6.0% from fall 2010 to fall 2011. There were a total of 3,171 new enrollees in fall 2010 and 3,361 in fall 2011, an increase of 190 or 6.0%. Another large gain in enrollment was in the post-baccalaureate category (students that have a prior bachelor degree) In fall 2010 there were 473 post-baccalaureate students and in fall 2011 there were 603, an increase of 130 or 27.5%. International student and non-resident student enrollment has also increased: in fall 2010 there were 1,450 students and in fall 2011 there were 1,528, an increase of 78 or 5.4%.

The University is empowered to set fees and tuition, but the University cannot directly control the number of students enrolled in any year. A period of continued declining enrollment could impact the ability of the University to collect sufficient Pledged Revenues to pay principal and interest on the Bonds.

Degrees Conferred

The University anticipates awarding approximately 2,363 total degrees in 2012 and has awarded the following degrees in the preceding five years:

Degree Awarded	2007	2008	2009	2010	2011
Technical Certificates	289	216	195	179	204
Associate	272	307	293	300	340
Bachelor	1,127	1,046	1,043	1,095	1,064
Master	417	341	375	438	404
Doctorate	117	130	129	133	143
Total	2,222	2,040	2,035	2,145	2,155

Student Housing

The University operates a dormitory system consisting of six traditional residence halls accommodating up to 855 students, most of whom are undergraduates. The residence halls include traditional dormitory style rooms (555 beds) and suite-style residences (300 beds, grouped in 78 3- and 4-bedroom units). The residence halls are intended primarily for freshmen and sophomores and offer a strong community atmosphere and student interaction through educational, social, and cultural programming. The University's residency hall charges are adjusted annually to an amount deemed necessary by University officials to pay operation, maintenance and debt amortization expenses. During the last three fiscal years the Housing System has improved the facilities and programs within the residence halls, resulting in increased revenues. The University anticipates that ongoing actions, including the remodel of rooms in Dyer Hall, which have been unavailable for use for several years and which will provide an additional 56 beds for occupancy in the fall of 2012, will continue to bolster the cash flow position. As of the end of April 2012, the number of residence hall applications is 19% above the number of applications at the same point in 2011.

Meal plans are required for all freshmen and sophomores living in the residence halls. Meal plans are optional for juniors, seniors and graduate students, as well as for all students 21 years and older. Students can use their meal plan at the Garrison-Turner Dining Hall, Rendezvous Food Court, and the Pond Student Union. The food service operations are provided through a management contract with Chartwells.

The University currently has six on-campus apartment complexes, with a total of 377 rental units. These apartments consist of a mix of efficiency, studio, one and two bedroom rental units. Apartments are available to non-traditional students and students who have already completed their first year at the University. Rental charges are collected monthly and continuing students are allowed to remain in the apartments during the summer term, even if the student does not attend summer sessions. Rental rates are reviewed and adjusted at the end of each fiscal year.

All of the dormitory and apartment facilities of the University are professionally maintained and kept in a sound state of repair. The University has no current plans to construct additional housing facilities.

For the past five years the average occupancy rate for the residence halls is 62%. However, as a result of improvements in the facilities and in the residency programs, occupancy rates have trended up in each of those years. The average occupancy rate for the residence halls for the 2011-2012 academic year is 74%, compared to 51% for 2008.

For the past five years, the average occupancy rate for on-campus apartments is 84%. In 2008 and 2009 the rate was down to 64% and 74%, respectively, due to the opening of a new private, off-campus complex in 2008. However, since 2008 the occupancy rate has steadily increased and for 2012 is 94% .

Employees

During the 2011-2012 academic term, the University had approximately 1,130 full-time, professional and non-classified employees and 606 full-time, classified employees. The University is not a party to any collective bargaining agreement, although there are employee associations that bring issues and concerns to the attention of the University. The University considers its relations with its employees to be good.

Employee Retirement Benefits

All benefit eligible employees, which consist of employees who work 20 or more hours per week for five consecutive months, must enroll in one of two retirement plans–the State's "Public Employees' Retirement System of Idaho" ("PERSI") or the "Optional Retirement Program" ("ORP"), which is a plan offered to faculty and non-classified staff effective 1990 and thereafter.

PERSI The University's classified employees, including faculty hired prior to July 1, 1990, are covered under PERSI. Additionally, new faculty and professional staff who are vested in PERSI have the option of remaining in or returning to PERSI with written affirmation of this decision within 60 days of employment. PERSI is the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the governor and confirmed by the legislature, manages the system, including by selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and establishing policies for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

On July 1, 2011, PERSI had 65,798 active members, 25,489 inactive members (of which 10,468 are entitled to vested benefits), and 35,334 annuitants. PERSI collects contributions from employees and employers to fund retirement, disability, death and separation benefits, as provided by Chapter 13, Title 59, Idaho Code. As of July 1, 2010, there were 737 public employers in Idaho who were PERSI members.

As of July 1, 2011, PERSI's actuarial value of assets totaled $11,360,100,000 and the actuarial liabilities funded by PERSI totaled $12,641,200,000. This means that, as of July 1, 2011, PERSI was 90.2% funded. GASB Statement 25 (Reporting Standards for Defined Benefit Pension Plans) has replaced Projected Benefits Obligations ("PBO") as the measure of pension plan funding status. As required by GASB Statement 25, the PERSI Schedule of Funding Progress shows a funded ration of 90.2% of the PERSI Base Plan. The funded ratio includes the effect of a mandated cost of living adjustment (COLA), but not the additional discretionary COLA. The Schedule of Employer Contributions shows that PERSI employers have contributed at least 100% of the Actuarially Required Contributions (ARC).

For general members of PERSI, as of July 1, 2011, the employer contribution rate in effect is 10.39% of pay and the employee contribution rate is 6.23%.

The University's required and paid contributions to PERSI for the fiscal years ended June 30, 2009 through 2011 were $3,135,557, $2,742,751, and $2,649,006, respectively.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.persi.idaho.gov/documents/investments/FY11/AR-FY2011.pdf. No representation is made herein as to the accuracy of this report.

<u>ORP</u>. Faculty and non-classified staff hired on or after July 1, 1990 have been enrolled in ORP, and faculty and staff hired before that date were offered a one-time opportunity in 1990 to withdraw from PERSI and join the ORP. The ORP is a portable, multiple-employer, defined contribution retirement plan with options offered by Teachers' Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) and Variable Annuity Life Insurance Company (VALIC). The total contribution rate is the same for all employees, with a portion of the employer's contribution for ORP members being credited to the employee's account and a portion to the PERSI unfunded liability until 2025.

Contribution requirements for the ORP are based on a percentage of total payroll. The University's contribution rate for the fiscal year ending June 30, 2012 is 10.39% of covered payroll, which is the same contribution rate for fiscal years ended June 30, 2010 and 2011.

For the fiscal years ended June 30, 2009 through 2011, the University's required and paid contributions to ORP were $5,536,217, $5,463,978, and $5,430,019, respectively. The employee contribution rate for the current fiscal year is 6.96% of covered payroll, which is the same as the contribution rate for the fiscal years ended June 30, 2010 and 2011. These employer and employee contributions, in addition to earnings from investments, fund the ORP benefits. The University has no additional obligation to fund ORP benefits once it makes the required contributions at the applicable rate. The University has made all contributions that it is required to make to ORP to date.

For a further discussion of the University's retirement plans and certain other employment obligations, see "APPENDIX D—FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2010 AND 2011 AND INDEPENDENT AUDITOR'S REPORT—Footnote 9. Retirement Plans and Termination Payments"

Other Post-Employment Benefits

The University participates in other post-employment benefit plans relating to health and disability that are administered by the State of Idaho as agent, and it participates in a single-employer defined benefit life insurance plan. Idaho Code establishes the benefits and contribution obligations relating to these plans. The most recent actuarial valuation relating to these benefits is as of June 30, 2010. At June 30, 2010, the University had approximately $16,187,000 in unfunded accrued liability. The University's annual required contribution for the fiscal year ending June 30, 2011, was approximately $1,511,000 of which the University contributed approximately $604,000. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Additional details regarding these benefits can be found in APPENDIX D—FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2010 AND 2011 AND INDEPENDENT AUDITOR'S REPORT—Note 10. Postemployment Benefits Other Than Pensions."

Insurance

Through the State of Idaho Risk Management Program, the University maintains liability and property, and employee fidelity insurance in amounts deemed adequate by State and University officials. The University has a risk management staff that coordinates insurance coverage and claims with the State of Idaho Risk Management Program officials, and reviews the adequacy of such coverage and verifies the University's compliance with applicable agreements. As of April 30, 2012, the total insured replacement value of the University's buildings, contents and improvements was approximately $930,980,000.

Budget Process

The University operates on an annual budget system. Its fiscal year begins July 1 of each year. The budget process, as well as the administration of the expenditures authorized through the process, is administered through the office of the President and Vice President for Finance and Administration, in collaboration with the departmental faculty and administrative officers. The internal budget process begins with a general budget proposal for the following fiscal year being submitted in consolidated form by the University Administration to the Board in August of each year.

The University's operating budget is approved by the Board prior to the commencement of the fiscal year, usually at its June meeting. At that meeting, the Board, serving also as the governing boards for the other institutions of higher education, approves the annual budgets for those institutions, as well.

SOURCES OF FUNDING FOR THE UNIVERSITY

The University relies on a number of sources of funding to achieve its educational and research missions. The principal sources of revenues are: direct appropriation of State revenues by the Idaho Legislature, the fees and nonresident tuition it charges its students, federal government appropriations, grants and contracts, gifts to the University, revenues derived from investments and property holdings of the University, and the revenues derived from the sale of certain products and services managed or owned by the University. These revenue sources are more fully discussed below.

State Appropriations

Legislatively approved State general account and State endowment appropriations represent approximately 33% of the University's total revenues for fiscal year 2011. Such revenues are not pledged as security for the Bonds. The Legislature meets beginning in January of each calendar year and sets budgets and appropriations for all agencies and departments of State government for the fiscal year, beginning the following July. The Legislature may also make adjustments to budgets and appropriations for the fiscal year during which the Legislature is meeting. If in the course of a fiscal year prior to the commencement of the legislative session, the Governor determines that the expenditures authorized by the Legislature for the current fiscal year exceed anticipated revenues expected to be available to meet those expenditures, the Governor by executive order may reduce ("Holdback") the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State or request a reversion ("Reversion") of appropriations back to the State to balance the State budget. The most recent Holdbacks occurred during fiscal year 2009 and 2010; there were no Reversions for those years. There were no Holdbacks or Reversions for fiscal years 2011 or 2012. The table below sets forth the legislative appropriations from the State General Fund for all higher education institutions and for the University, net of one-time funding, Reversions and Holdbacks.

Schedule of State General Account and State Endowment Appropriations

Fiscal Year	2009	2010	2011	2012	2013(3)
All Higher Education	$285,151,500	$253,278,100	$217,510,800	$209,828,300	$227,950,500
Idaho State University	74,338,600(1)	62,747,200(2)	61,192,800	59,271,700	63,925,300
University's percentage increase (decrease) over prior year	2.9%	(15.6)%	(2.5)%	(3.1)%	7.85%

(1) Net of the Holdback of $5,060,200.
(2) Net of the Holdback of $5,183,600.
(3) Budgeted; subject to change. Reversions or Holdbacks could affect this amount.
(Source: The University.)

As shown in the preceding chart, State appropriations have declined largely as a result of the economic downturn the State and nation as a whole have experienced. From the expenditure perspective, the University developed a financial plan to actively pare down costs, streamline processes, and implement new approaches and controls to monitor and address the budget reductions. All of these initiatives remain in place and are active. From the revenue perspective, the University, out of necessity, has increased tuition and fees, while moving to impact students as little as possible. The University continues to leverage other revenue sources as well, including research and partnering activities, more self-support programs, auxiliaries, and fundraising. As a result of these efforts, even in the face of the budget declines, the University has experienced solid increases in net assets over the past several years (see financial statements in APPENDIX D). As the State's economy recovers and with the recently announced increases in higher education budgets, the University is expected to continue to maintain a strong financial position.

Tuition and Fees

A major component of funding for the University is student tuition and fees, which, for the academic year 2012-2013 are $3,035 total per semester for full-time undergraduate, resident students (of this amount, only the tuition portion ($2,208.51) and the Student Facilities Fee/Facilities ($255) are Pledged Fees). Non-resident students pay per-semester non-resident tuition of $5,900 in addition to the undergraduate fees (this additional fee is not a Pledged Fee). Additional dedicated fees are charged to students enrolled in graduate programs, pharmacy, physical and occupational therapy, graduate level nursing, graduate level counseling, and the Idaho Dental Education program.

The University expects fees for all students and additional tuition for non-resident students to increase in the future in response to generally higher costs of operating the University.

The University assesses and collects a variety of fees from students enrolled at the University. Board approval for most of these student fees is required, but the Board has delegated to the University President approval of certain institutional student fees. The Board may assess fees at any time during the year, and has authority to establish the fees unilaterally, without review or approval by the students, the State, or any other governmental or regulatory body. In practice, however, the Board sets the Board-approved student fees annually. Prior to the Board meeting at which fees are set, public hearings concerning the fees are held and student participation is actively solicited.

The following table shows per semester full-time fees from fiscal year 2009 through fiscal year 2013. Pledged Fees are shown in bold.

Full-Time Semester Fees[(1)]	2009	2010	2011	2012	2013[(2)]
Tuition	**$1,557**	**$1,659**	**$1,900**	**$2,090**	**$2,209**
Student Facilities Fee	**217**	**243**	**243**	**$243**	**$255**
Campus Technology Fee	75	83	83	83	83
Dedicated Activity Fees	483	499	482	482	488
Total Tuition and Fees	2,332	2,484	2,708	2,898	3,035
Graduate Fee *(additional fee)*	540	514	480	514	540
Non-Resident Tuition *(additional fee)*	4,602	4,901	5,250	5,618	5,900

(1) Amounts have been rounded.
(2) Budgeted amounts approved by the Board in its April 2012 meeting.

Financial Aid

Direct financial aid to students, primarily in the form of student loans, scholarships, grants, student employment, awards, tuition waivers, fee reductions and waivers, and deferred payments, is available. The University believes that the amount of available financial aid, which totaled approximately $124,889,011 in the fiscal year ended June 30, 2011, is adequate to enable students who desire to attend the opportunity to do so. During the 2010-2011 academic year, the direct financial aid to students in the form of scholarships and grants was $45,889,011 and in the form of loans was $78,053,641. During the 2011-2012 academic year, the direct financial aid to students in the form of scholarships and grants was approximately $45,734,466 and in the form of loans was $77,394,649.

Grants and Contracts

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's current fund revenues. The use of such funds is usually restricted to specific projects and is not included in the budget for the University. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, student aid programs, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these various grants and contracts. Such revenues are not pledged as security for the Bonds.

Auxiliary Enterprises

Auxiliary enterprise sales and services revenues represents income earned by the University on its income–producing operations such as the University's bookstore, housing, student health center, food service, athletic facility, student union and certain other operations. A portion of these revenues (specifically, revenues of the Housing System) are pledged as security for the Bonds. See "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE" above.

Sales and Services

Various University departments provide services and products to the student body and, in some instances, to the community for which payment is received. Such revenues are not pledged as security for the Bonds.

Idaho State University Foundation, Inc.

The ISU Foundation is a nonprofit corporation organized under Idaho law in 1967. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. A 25-member board of directors manages the ISU Foundation. William M. Eames, William Eames and Associates, serves as President of the ISU Foundation.

Financial information concerning the ISU Foundation is contained in Note 14 to the University's financial statements included in "APPENDIX D" hereto. The total fair value of the Foundation's investments at June 30, 2011 was $41,051,000, of which $40,996,687 represent Permanent Endowments.

The ISU Foundation issued its Multi-Mode Variable Rate Revenue Bonds on May 30, 2001 (the "ISU Bonds") in the amount of $22,170,000 for the construction, furnishing, equipping and improving of certain real and personal property comprising the L.E. and Thelma Stephens Performing Arts Center. The ISU Bonds have a final maturity date of May 1, 2021 and are secured by donations, pledges and other funds held under the bond indenture relating to these bonds. The total interest expense on the ISU Bonds during 2011 was $135,080. The outstanding balance on these bonds as of June 30, 2011 was $6,000,000. The revenues pledged to the payment of the ISU Bonds are not pledged as security for the Bonds and the Revenues securing the Bonds are not pledged under the indenture securing the ISU Bonds.

Future Capital Plans

The University may not undertake any capital project or long-term financing without prior Board approval. The University currently has no plans to incur additional indebtedness or undertake any major capital projects in the next 24 to 36 months.

University Debt*

Prior to the issuance of the Series 2012 Bonds, the University had $65,255,000 of Bonds outstanding secured by Pledged Revenues as of June 30, 2011. Set forth below is the University's schedule of outstanding indebtedness as of June 1, 2012, assuming the issuance of the Bonds and the refunding of the Refunded Bonds.

Outstanding Indebtedness	Date Incurred	Final Maturity Date	Amount of Original Indebtedness	Amount of Debt Outstanding as of June 1, 2012[(1)]
Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998[(1)]	1998	2012[(1)]	$12,400,000	$0
General Refunding and Improvement Revenue Bonds, Series 2003[(1)]	2003	2023[(1)]	35,895,000	4,290,000
General Revenue Bonds, Series 2004A[(1)]	2004	2014[(1)]	4,980,000	520,000
General Revenue Bonds, Series 2004B[(1)]	2004	2034	3,305,000	3,040,000
General Revenue Bonds (Taxable), Series 2004C	2004	2034	2,305,000	1,560,000
General System Revenue Bonds (Federally Taxable), Series 2006	2006	2028	10,000,000	8,990,000
General Revenue Bonds, Series 2007	2007	2032	16,120,000	13,765,000
General Revenue Refunding Bonds, Series 2012	2012	2023*	28,680,000*	28,680,000*
Total Bonded Indebtedness Upon Issuance of Series 2012 Bonds				$60,845,000*

(1) All or a portion of these bonds will be refunded with proceeds of the Series 2012 Bonds. Final maturity date assumes refunding of Refunded Bonds.

* Preliminary; subject to change.

(Source: The University.)

Other Obligations

The University implemented an enterprise resource planning ("ERP") system in order to provide increased integration and functionality for the University. Koch Financial Corporation was selected as the financing institution based on its expertise in financing information system installations and comparisons with other vendors. The University entered into a Master Lease Purchase Agreement in 2007 with Koch Financial Corporation under which payments for the financed ERP system became an obligation of the University, payable from legally available funds. The total amount requested to finance the ERP system was $9,328,157, financed over a term of 10 years. The University imposed an additional student fee of $40.50 per student in fiscal year 2009 to support the lease payments. As of the end of fiscal year 2011, the balance remaining on the lease purchase agreement was $4,895,440.

UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested with the Board of Trustees of Idaho State University who also serve as the Idaho State Board of Education and simultaneously, among other duties, as the Regents of the University of Idaho, the Trustees for Boise State University and Lewis-Clark State College in Lewiston and as the State Board for Professional-Technical Education. The Governor appoints seven of the members to the Board for five-year terms. The elected State Superintendent of

Public Instruction serves ex officio as the eighth member of the Board for a four-year term. The membership, terms, residences and occupations of the current board members are listed below.

The Board of Trustees of Idaho State University and The State Board of Education

Name	Residence	Occupation	Term Expires
Kenneth Edmunds (President)	Twin Falls	Real Estate Developer	March 2013
Don Soltman (Vice President)	Twin Lakes	Retired Hospital Executive	March 2014
Emma Atchley (Secretary)	Ashton	Community Leader	March 2015
Bill Goesling	Moscow	Retired Financial Consultant and Naval Aviator	March 2016
Roderic W. Lewis	Boise	VP of Legal Affairs, General Counsel, and Corporate Secretary, Micron Technology, Inc.	March 2015
Tom Luna*	Boise	State Superintendent of Public Instruction	March 2014
Milford Terrell	Boise	Owner/President of DeBest Plumbing	March 2017
Richard Westerberg	Preston	PacifiCorp Officer (retired)	March 2014

* Mr. Luna serves ex-officio to the State Board of Education in his capacity as State Superintendent of Public Instruction, which is a statewide elective office.

The State Board of Education has a full time professional staff of approximately 21 individuals and is headed by Mike Rush, Executive Director. Mr. Rush was appointed Executive Director in 2008.

University Officers

The affairs of the University are managed by the President of the University and the staff. The President is appointed by, reports to, and serves at the pleasure of the Board. Following is a brief biographical resume of President Vailas and his cabinet:

Arthur C. Vailas, President. Dr. Vailas assumed the position of President of Idaho State University on July 1, 2006. Dr. Vailas previously was vice chancellor of all five University of Houston (UH) System campuses, and vice president for research and intellectual property management at the UH main campus. He joined the University of Houston in 1995 as vice provost for graduate studies, and professor and distinguished chair in biology and biochemistry. From 1988 to 1994, he held numerous positions at the University of Wisconsin–Madison. They included associate dean for research and development in the School of Education; professor of surgery, division of orthopedic surgery, College of Medicine; professor of kinesiology, School of Education; professor, department of poultry science, College of Agriculture; and professor and director of the Biodynamics Laboratory. His Ph.D. degree is from the University of Iowa with an area of emphasis in connective tissue physiology.

Barbara Adamcik, Interim Provost and Vice President for Academic Affairs. Dr. Adamcik oversees all academic aspects of the University. She works with University leadership and the State Board of Education to advance campus initiatives-leading to excellence in pursuing the University’s mission. She is the University Accreditation Liaison to the Northwest Commission on Colleges and University’s mission. Dr. Adamcik is a tenured professor in the College of Pharmacy and has been at University since January 1985. She has been associated with the Office of Academic Affairs for the past ten years. Prior to coming to the University, she worked for 21 years at the University of Southern California School of Medicine.

James A. Fletcher, Vice President for Finance and Administration. Mr. Fletcher was appointed to the position of Vice President for Finance and Administration in July, 2007. Mr. Fletcher most recently served as the Vice Chancellor of Administration at the Texas A&M System in College Station, Texas. He has also previously served at Howard University, University of Colorado, and Morehouse College. Prior to that, he worked in senior financial administration positions at the IBM and Unisys Corporations.

Kent M. Tingey, Vice President for University Advancement. Dr. Tingey was appointed to the position of Vice President for University Advancement in 1998. Dr. Tingey joined the University as Director of University Relations in 1989, after having served as Executive Assistant to U.S. Congressman Wayne Owens in Washington, D.C. Prior to that, he served as Director of Public Relations at Dixie College in St. George, Utah, and BYU-Hawaii Campus.

Richard T. Jacobsen Interim Executive Director for Research and Technology Transfer. Dr. Jacobsen, a tenured professor of Nuclear Engineering, supports campus-wide research and related efforts while a national search for a Vice President for Research and Economic Development is conducted. He recently served as Technology Transfer Officer and Associate Director of the Center for Advanced Energy Studies (CAES), and previously served as Dean of Engineering at the University, Dean of Engineering at the University of Idaho, Chief Scientist and Deputy and Associate Laboratory Director at the Idaho National Engineering and Environmental Laboratory, now known as the Idaho National Laboratory. Dr. Jacobsen was also the Director of the University of Idaho Center for Applied Thermodynamic Studies, and has held several elected national offices in The American Society of Mechanical Engineers.

Patricia Smith Terrell, Vice President of Student Affairs. Dr. Terrell was appointed Vice President for Student Affairs in July 2011. She is responsible for co-curricular services, activities and programs that enhance the quality of student life, facilitate and advance learning, and contribute to the University's mission to develop global citizens who provide leadership to enrich a diverse society. She previously served as the chief student affairs officer at the University of Kentucky and Utah State University and in student affairs administrative roles at Southern Methodist University and the University of Louisville.

Roger H. Egan, Director for Treasury, Investments, Tax, Real Estate & Policy. Mr. Egan was appointed to his current position in October 2011. Mr. Egan joined the University in September 1999, serving initially as the Director of Auditing Services and then as Financial Controller for the University. Previously, Mr. Egan was employed in the private sector in executive financial positions and as a CPA in public accounting.

TAX MATTERS

Federal Income Tax. In the opinion of Ballard Spahr LLP, Bond Counsel to the University, interest on the Series 2012 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Series 2012 Bonds, assuming the accuracy of the certifications of the University and continuing compliance by the University with the requirements of the Internal Revenue Code of 1986. Interest on the Series 2012 Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax ("AMT"); however, interest on Series 2012 Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder.

Original Issue Premium. Certain of the Series 2012 Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of such Series 2012 Bond through reductions in the holder's tax basis for such Series 2012 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Holders should consult their tax advisors for an explanation of the amortization rules.

Original Issue Discount. Certain of the Series 2012 Bonds may be offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. Original issue discount on a Series 2012 Bond accrues as tax-exempt interest periodically over the term of the Series 2012 Bond. The accrual of original issue discount increases the holder's tax basis in the Series 2012 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Series 2012 Bondholders should consult their tax advisors for an explanation of the accrual rules.

State of Idaho Income Tax. Bond Counsel is also of the opinion that interest on the Series 2012 Bonds is exempt from State of Idaho income taxes under currently existing law.

No Further Opinion. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Series 2012 Bonds.

Changes in Federal and State Tax Laws. From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2012 Bonds or otherwise prevent holders of the Series 2012 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2012 Bonds. Further, such proposals may impact the marketability or market value of the Series 2012 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Series 2012 Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2012 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2012 Bonds would be impacted thereby.

Purchasers of the Series 2012 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2012 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

UNDERWRITING

Barclays Capital Inc. (the "Underwriter"), has agreed, subject to certain conditions, to purchase all of the Series 2012 Bonds from the University at a purchase price of $__________. Upon the issuance of the Series 2012 Bonds, the University will pay the Underwriter [an underwriting fee of $__________]. The Underwriter has advised the University that the Series 2012 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2012 Bonds into investment trusts) at prices lower than the initial public offering prices reflected on the cover page of this Official Statement and that such public offering prices may be changed from time to time.

RATINGS

Moody's Investors Service ("Moody's") and Standard & Poor's Financial Services LLC, a subsidiary of the McGraw-Hill Companies ("S&P") have assigned their municipal bond ratings of "_____" and "_____," respectively, to the Series 2012 Bonds.

Such ratings reflect only the views of the rating agencies furnishing the same. Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. The above ratings are not recommendations to buy, sell or hold the Series 2012 Bonds.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2012 Bonds.

TRUSTEE

By appointment of the University, U.S. Bank National Association, Salt Lake City, Utah, shall act as the trustee, bond registrar, authenticating agent, paying agent and transfer agent with respect to the Series 2012 Bonds.

The Trustee is to carry out those duties assignable to it under the Resolution. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, content, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Resolution or the Series 2012 Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the University of any of the Series 2012 Bonds authenticated or delivered pursuant to the Resolution or for the use or application of the proceeds of such Series 2012 Bonds by the University. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2012 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2012 Bonds or the investment quality of the Series 2012 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

CONTINUING DISCLOSURE

The University and the Trustee are expected to enter into a "Continuing Disclosure Agreement" (in substantially the form attached hereto as APPENDIX G) pursuant to which the University will provide to the Trustee within 180 days following the end of its fiscal year a copy of its annual audited financial statements and such other financial, statistical and operating data for such fiscal year in form and scope similar to the financial, statistical and operating data included in this Official Statement as described in the agreement. The University also has agreed to deliver to the Trustee notice of the events described in paragraph (b)(5)(i)(C) of Rule 15c2-12 as promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Trustee has agreed to deliver the information and the notices described in the preceding two sentences upon receipt thereof from the University to the Municipal Securities Rulemaking Board, and to deliver any notice of an event described in paragraph (b)(5)(i)(C) of Rule 15c2-12. The Trustee also agrees that if it has knowledge that the University has not delivered its annual audited financial statements or has not provided the financial, statistical and operating data as described above or if it has knowledge of the occurrence of material events described in Rule 15c2-12, it will directly notify the MSRB of the University's failure to deliver such information or the occurrence of such event. See "APPENDIX G—FORM OF CONTINUING DISCLOSURE AGREEMENT."

A failure by the University to comply with the Disclosure Agreement will entitle any Bondholder (including any Beneficial Owner) to bring an action for specific performance and to take such other remedies as are provided in the Disclosure Agreement.

[The University reports that (i) certain of its annual reports did not include all of the required information and (ii) it was late in filing notice of a credit rating downgrade on the bond insurer insuring certain of its bonds.]

A failure by the University to comply with the Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2012 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2012 Bonds and their market price.

LITIGATION

The University has reported as of the date hereof that there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2012 Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the Series 2012 Bonds, the pledge and application of Pledged Revenues or the existence or powers of the University.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2012 Bonds are subject to the approval of Ballard Spahr LLP, as Bond Counsel to the University whose approving opinions will be delivered with the Series 2012 Bonds. Certain legal matters will be passed upon for the University by its University Counsel, Bradley H. Hall, Esq., Pocatello, Idaho. Certain legal matters will be passed on for the Board and the University by the office of the Attorney General of the State. Certain legal matters will be passed upon for the Underwriter by its counsel Hawley Troxell Ennis and Hawley LLP, Boise, Idaho. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX E" of this Official Statement will be available from the University upon request.

Other than the form of such opinion, Bond Counsel has not assumed responsibility for any of the remaining material in the Official Statement and has not undertaken to review or independently verify the information set out therein. In addition, Bond Counsel has not assumed responsibility for any agreement, representation, offering circulars or other material of any kind not mentioned in this paragraph, relating to the offering of the Series 2012 Bonds for sale.

INDEPENDENT AUDITORS

The audited financial statements of the University as of and for the fiscal years ended June 30, 2011, and June 30, 2010, included in this Official Statement as Appendix D, have been audited by Moss Adams LLP, independent auditor, as stated in their report appearing therein. These financial statements are the most recent audited financial statements of the University. Moss Adams has not been engaged to perform and has not performed, since the date of the report included herein, any procedures on the financial statements addressed in that report. Moss Adams also has not performed any procedures relating to this Official Statement and has not consented to the use of the financial statements of the University in this Official Statement.

NO DEFAULTED BONDS

The University has never failed to pay principal and interest when due on its bonded indebtedness or other obligations.

MISCELLANEOUS

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement. The references herein to the Resolution, the Series 2012 Bonds and the Act, are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and Act for full and complete statements of their provisions. Copies of these documents and Act are available for inspection at the principal corporate trust office of the Trustee in Salt Lake City, Utah and during the offering period for the Series 2012 Bonds from the Underwriter.

Any statements in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized.

This Preliminary Official Statement is in a form "deemed final" by the University for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use by the Underwriter has been duly authorized by the Board and the University.

IDAHO STATE UNIVERSITY

By:____

Vice President for Finance and Administration

APPENDIX A

GLOSSARY OF CERTAIN TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT

The following terms are used as defined terms in the Resolution and the Official Statement. The defined terms should be read in conjunction with APPENDIX B—SUMMARY OF THE RESOLUTION.

"Accountant's Certificate" shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent public accountants of recognized standing, selected by the University and acceptable to the Trustee (which acceptance shall not be unreasonably withheld), who may be the accountant or firm of accountants who regularly audit the books of the University, provided that, if the Trustee shall fail to so accept, it shall deliver to the University a statement of its reasons for such nonacceptance.

"Act" shall mean the Educational Institutions Act of 1935, codified in Title 33, Chapter 38, Idaho Code, as the same shall be amended from time to time.

"Additional Bonds" shall mean Bonds issued pursuant to Article VII of the Resolution secured by Pledged Revenues.

"Authorized Officer of the University" shall mean the Bursar or a representative designated by the Bursar.

"Board" shall mean the Board of Trustees of the Idaho State University.

"Bond Fund" shall mean the fund referred to in the Bond Resolution, consisting of the Debt Service Account.

"Bond Register" shall mean the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Bonds.

"Bond Resolution" or "Resolution" shall mean the Bond Resolution, adopted by the Board on September 17, 1992, providing for the issuance of General Revenue Bonds, as restated on August 12, 2004 and as from time to time supplemented by Supplemental Resolutions.

"Bond Year" means the one-year period (or, in the case of the first Bond Year, the shorter period from the date of issue of the Bonds) selected by the University. If no date is selected by the University within five years of the date of delivery of a series of Bonds, each Bond Year shall end at the close of business on the date preceding the anniversary of the date of delivery of a series of Bonds.

"Bonds" shall mean the initial bonds issued under the Resolution and any Additional Bonds.

"Bursar" means the officer so designated by the University as chief financial officer of the University, currently the Vice President for Finance and Administration of the University, including any acting Bursar designated by the University.

"Business Day" shall mean a day, other than Saturday or Sunday, on which banks located in the states of Idaho, Minnesota, Utah and Washington, or in the city where the principal corporate trust office of the Trustee is located, are open for the purpose of conducting commercial banking business.

"CAES Base Rent" shall mean the base rent payable by Battelle Energy Alliance, LLC a Delaware limited liability company under its Lease Agreement No. 00049377 with the University.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and the regulations promulgated thereunder.

"Construction Fund" shall mean the special account created by the Bond Resolution, from which the Cost of Acquisition and Construction of a Project shall be paid.

"Cost of Acquisition and Construction," with respect to a Project, shall include together with any other proper item of cost not specifically mentioned therein, the cost of demolition, the cost of acquisition and construction of the Project and the financing thereof, the cost, whether incurred by the University or another, of field surveys and advance planning undertaken in connection with the Project, and the cost of acquisition of any land or interest therein required as the sites thereof or for use in connection therewith, the cost of preparation of the sites thereof and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and insurance premiums, allocable administrative and general expenses of the University, allocable portions of inspection expenses, financing charges, legal fees, and fees and expenses of financial advisors and consultants in connection therewith, cost of audits, the cost of all machinery, apparatus and equipment, cost of engineering, the cost of utilities, architectural services, design, plans, specifications and surveys, estimates of cost, the payment of any notes of the University (including any interest and redemption premiums) issued to temporarily finance the payment of any item or items of cost of the Project and payable from the proceeds of the Bonds, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the construction and acquisition of the Project, the financing thereof and the placing of the same in use and operation.

"Cost(s) of Issuance" shall mean printing, rating agency fees, legal fees, underwriting fees, fees and expenses of the Trustee, bond insurance premiums, if any, and all other fees, charges, and expenses with respect to or incurred in connection with the issuance, sale, and delivery of a series of Bonds.

"Cross-over Date" means with respect to Cross-over Refunding Bonds the date on which the principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

"Cross-over Refunded Bonds" means Bonds refunded by Cross-over Refunding Bonds.

"Cross-over Refunding Bonds" means Bonds issued for the purpose of refunding Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 57-504, Idaho Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

"Debt Service" for any period shall mean, as of any date of calculation, an amount equal to the Principal Installment and interest accruing during such period on the Bonds, plus any Payment due under a Parity Payment Agreement as defined in the Resolution. Such Debt Service on the Bonds shall be calculated on the assumption that no portion of the Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installment on the Bonds on the due date thereof. For any series of Variable Rate Bonds bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such series of Variable Rate Bonds will bear interest at a fixed rate equal to the higher of (i) the average of the variable rates applicable to such series of Variable Rate Bonds during any twenty-four month period ending within thirty (30) days prior to the date of computation, or (ii) 110% of the Bond Buyer 25 Revenue Bond Index most recently published prior to the computation date but bearing interest at a fixed rate. There shall be excluded from "Debt Service" (i) interest on Bonds (whether Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, and (ii) principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 57-504, Idaho Code, and such proceeds or the earnings thereon are required to be applied to pay such principal (subject to the possible use to pay the principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such principal.

"Debt Service Account" shall mean the account of that name created within the Bond Fund by the Bond Resolution.

"Defeasance Securities" shall mean and include any of the following securities:

1. Cash.

2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - (SLGs)).

3. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself.

4. Resolution Funding Corp. ("REFCORP"). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

5. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating) then the pre-refunded bonds must have been prerefunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

   a. *U.S. Export-Import Bank* (Eximbank)

      Direct obligations or fully guaranteed certificates of beneficial ownership

   b. *Farmers Home Administratio*n (FmHA)

   c. *Federal Financing Ban*k

   d. *General Services Administratio*n
      Participation Certificates

   e. *U.S. Maritime Administration*
      Guaranteed Title XI financing

   f. U.S. Department of Housing and Urban Development (HUD)

      Project Notes
      Local Authority Bonds
      New Communities Debentures – U.S. government guaranteed debentures

   g. *U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds*

"Escrowed Interest" means (i) amounts irrevocably deposited in escrow in accordance with the requirements of Section 57-504, Idaho Code, in connection with the issuance of Bonds or Cross-over Refunding Bonds or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds, and (ii) amounts required by the Resolution to be deposited to pay interest on Bonds for a Project.

"Estimated Pledged Revenues" means, for any year, the Estimated Pledged Revenues for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Pledged Revenues, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of bonds in connection with which an estimate is made. The estimated Operation and Maintenance Expenses shall not be considered in computing Estimated Pledged Revenues unless Operation and Maintenance Expenses are expected to be paid from Pledged Revenues.

"Estimated Revenues Available for Debt Service" shall mean, for any year, the Revenues Available for Debt Service for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Revenues Available for Debt Service, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of bonds in connection with which an estimate is made.

"Event of Default" shall mean one or more of the events enumerated in the Bond Resolution.

"Facilities" means (i) the Holt Arena stadium facility, (ii) the Reed Gymnasium, (iii) the Student Union Buildings, (iv) the CAES Project, (v) the Meridian Project, (vi) the Recreation Project and (vii) any Project financed with the proceeds of the Bonds, together with all appurtenances, equipment and related facilities useful or necessary to the operation of such Facilities.

"Fiscal Year" shall mean the annual accounting period of the University, beginning July 1 in a year and ending June 30 of the following year.

"Generally Accepted Accounting Principles" shall mean those accounting principles applicable in the preparation of financial statements of business corporations as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

"Housing System" shall mean the University's system of (i) student housing facilities and related facilities, including family student housing and apartments; (ii) the University's on-campus residence hall housing facilities, food service and dining facilities and related and subordinate facilities; and (iii) additions and improvements thereto.

"Investment Securities" shall mean and include any securities authorized to be acquired by the Treasurer of the State of Idaho pursuant to Section 67-1210 and 67-1210A, Idaho Code, or any successor Code section specifying legal investments.

"Mandatory Redemption Amount(s)" shall mean the mandatory deposits so designated in a Supplemental Resolution. The portion of any Mandatory Redemption Amount remaining after the deduction of any amounts credited pursuant to the Resolution (or the original amount of any such Mandatory Redemption Amount if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Mandatory Redemption Amount for the purpose of calculation of Mandatory Redemption Amounts due on a future date.

"Matriculation Fee(s)" shall mean the student matriculation fee established by the Board for maintenance and operation of physical plant, student services, and institutional support for full-time students enrolled in academic credit courses and vocational pre-employment, preparatory programs at the University, as said fee now exists and may hereafter be revised by the Board. The Matriculation Fee shall include general education fees for part-time and summer students which are currently designated by the Board as the "Part-time Educational Fee" and "Summer School Fee." The Matriculation Fee is also referred to as the "Tuition Fee."

"Maximum Annual Debt Service" shall mean an amount equal to the greatest annual Debt Service with respect to the Bonds for the current or any future Bond Year.

"Meridian Project" means the acquisition and renovation of a portion of a building in Meridian, Idaho to be used for instructional purposes.

"Moody's" shall mean Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"Net Proceeds," when used with reference to any series of Bonds, shall mean the aggregate principal amount of the series of Bonds, less the Costs of Issuance.

"Net Revenues of the Housing System" shall mean the Revenues of the Housing System, less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" with respect to the Housing System shall mean all actual operation and maintenance expenses incurred by the University in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, but only if such charges are made in conformity with Generally Accepted Accounting Principles.

Operation and Maintenance Expenses include, but are not limited to, costs for ordinary repairs, renewals and replacements of the Housing System, for salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services, fees and charges of financial, banking or other institutions for letters of credit, standby credit facilities, reimbursement agreements and remarketing, indexing and tender agent agreements to secure any series of Bonds, training of personnel, taxes and other governmental charges imposed by other than the University, fuel costs, and any other current expenses or obligations required to be paid by the University under the provisions of the Resolution or by law, all to the extent properly allocable to the Housing System.

Notwithstanding the first sentence of this definition, Operation and Maintenance Expenses do not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment or amortization of principal of bonded or other indebtedness of the University; costs or charges which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any part of the Housing System or such property items which are capitalized pursuant to the then existing accounting practice of the University.

"Outstanding," when used with reference to the Bonds, as of any particular date, shall mean the Bonds which have been issued, sold and delivered under the Bond Resolution, except (i) the Bonds (or portion thereof) cancelled because of payment or redemption prior to their stated date of maturity, and (ii) the Bonds (or portion thereof) for the payment or redemption of which there has been separately set aside and held money for the payment thereof.

"Payment Date" shall mean the date upon which a payment of Debt Service on the Bonds shall be due and payable.

"Pledged Revenues" shall include (i) the Student Facilities Fee/Facilities, (ii) the Matriculation Fee (also referred to as the Tuition Fee) and other fees as shall be designated by the Board as Pledged Revenues; (iii) Revenues of the Housing System and CAES Base Rent, (iv) other revenues of other University enterprises or sources of funds as shall be designated by the Board as Pledged Revenues, (v) any investment income deposited from the Revenue Fund and the Debt Service Fund; and (vi) proceeds from the sale of a series of Bonds and moneys and investment earnings thereon, except as otherwise provided in the Bond Resolution or a Supplemental Resolution. Upon approval of the annual budget by the Board, the amounts of fees and other revenues so approved by the Board shall become Pledged Revenues and, when deposited into the Revenue Fund, shall become available for payment into the Bond Fund for payment of Debt Service in accordance with the Bond Resolution.

"Principal Installment" shall mean, as of any date of calculation and with respect to any series of Bonds then Outstanding, (A) the principal amount of Bonds of such series due on a certain future date for which no Mandatory Redemption Amounts have been established, or (B) the unsatisfied balance (determined as provided in the definition of Mandatory Redemption Amount in this section) of any Mandatory Redemption Amount due on a certain future date for Bonds of such series, plus the amount of the mandatory redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to such unsatisfied balance of such Mandatory Redemption Amount, or (C) if such future dates coincide as to different

Bonds of such series, the sum of such principal amount of Bonds and of such unsatisfied balance of such Mandatory Redemption Amount due on such future date plus such applicable redemption premiums.

"Project" shall mean any "project" as defined in the Act that is financed with the proceeds of Bonds issued under the Resolution.

"Project Account" shall mean an account established by the University within the Construction Fund for a Project.

"Rebate Fund" means the fund by that name established by the Resolution.

"Record Date" shall mean the 15th day of the calendar month next preceding any interest payment date, as provided in the Resolution.

"Recreation Project" means the construction and equipping of additions to an existing recreation facility.

"Registered Owner" or "Owner(s)" shall mean the person or persons in whose name or names the Bonds shall be registered in the Bond Register maintained by the Trustee in accordance with the terms of the Bond Resolution.

"Revenue Fund" shall mean the Revenue Fund established by the Bond Resolution.

"Revenues Available for Debt Service" shall mean revenues in clauses (i), (ii), (v) and (vi) of the definition of Pledged Revenues, plus Net Revenues of the Housing System, plus revenues described in clause (iv) of the definition of Pledged Revenues less Operation and Maintenance Expenses of any University enterprises the revenues of which have been included in Pledged Revenues by virtue of such clause (iv).

"Revenues of the Housing System" shall mean all rentals, revenues, fees, tolls, charges, income, receipts and profits derived by the University from or attributable to the Housing System including, without limitation, all revenues derived from or attributable to any lease or other contractual arrangement with respect to the use or occupancy of the Housing System or the services, output or capacity thereof, or from the sale of any property of the Housing System permitted under the Resolution, and the proceeds of any insurance covering business interruption loss relating to the Housing System, all as determined in accordance with Generally Accepted Accounting Principles.

"S&P" shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and assigns.

"Series 1998 Bonds" means the $12,400,000 principal amount of Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998, of the University authorized by the Series 1998 Supplemental Resolution.

"Series 1998 Supplemental Resolution" means the Supplemental Resolution of the University adopted on February 19, 1998, authorizing the Series 1998 Bonds.

"Series 2003 Bonds" means the $35,895,000 General Refunding and Improvement Revenue Bonds, Series 2003, of the University authorized by the Series 2003 Supplemental Resolution.

"Series 2003 Supplemental Resolution" means the Supplemental Resolution of the University adopted on June 26, 2003, authorizing the Series 2003 Bonds.

"Series 2004A Bonds" means the $4,980,000 General Revenue Bonds, Series 2004A, of the University authorized by the Series 2004A Supplemental Resolution.

"Series 2004A Supplemental Resolution" means the Supplemental Resolution of the University adopted on August 12, 2004, authorizing the Series 2004A Bonds.

"Series 2004B Bonds" means the $3,305,000 General Revenue Bonds, Series 2004B, of the University authorized by the Series 2004B-C Supplemental Resolution.

"Series 2004B-C Bonds" means collectively, the Series 2004B Bonds and the Series 2004C Bonds.

"Series 2004C Bonds" means the $2,305,000 General Revenue Bonds (Taxable), Series 2004C, of the University authorized by the Series 2004B-C Supplemental Resolution.

"Series 2004B-C Supplemental Resolution" means the Supplemental Resolution of the University adopted on October 21, 2004, authorizing the Series 2004B-C Bonds.

"Series 2006 Bonds" means the $10,000,000 principal amount of General Revenue Bonds (Taxable), Series 2006 of the University authorized by the Series 2006 Supplemental Resolution.

"Series 2006 Supplemental Resolution" means the Supplemental Resolution of the University adopted on November 30, 2006, authorizing the Series 2006 Bonds.

"Series 2007 Bonds" means the $16,120,000 principal amount of General Revenue Bonds, Series 2007, of the University authorized by the Series 2007 Supplemental Resolution.

"Series 2007 Supplemental Resolution" means the Supplemental Resolution of the University adopted on August 9, 2007, authorizing the Series 2007 Bonds.

"Series 2012 Bonds" means the $__________ principal amount of Refunding Bonds, Series 2012 of the University authorized by the Series 2007 Supplemental Resolution.

"Series 2012 Cost of Issuance Fund" means the special account created by the Series 2012 Supplemental Resolution, from which the Costs of Issuance of the Series 2012 Bonds shall be paid.

"Series 2012 Supplemental Resolution" means the Supplemental Resolution of the University adopted on June _____, 2012, authorizing the Series 2012 Bonds.

"Student Facilities Fee/Facilities" shall mean the student facilities fee/facilities established by the Board and pledged as Pledged Revenues for payment of Additional Bonds, as said fee now exists and as may hereafter be revised by the Board.

"Supplemental Resolution" means any resolution amending or supplementing the terms of the Resolution in full force and effect which has been duly adopted and approved by the University under the Act; but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

"Trustee" shall mean U.S. Bank National Association, which shall also act as bond registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, or its successors in functions, as now or hereafter designated.

"2004B/2004C Insurer" means Financial Security Assurance Inc., as insurer of the Series 2004B-C Bonds.

"2004B/2004C Policy" means the municipal bond insurance policy issued by the 2004B/2004C Insurer guaranteeing the scheduled payment of principal and interest on the Series 2004B-C Bonds when due.

"University" means Idaho State University, at Pocatello, Idaho, a body politic and corporate pursuant to the provisions of Section 33-3001, Idaho Code.

"Variable Rate Bonds" means as of any date of calculation, Bonds, the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible of precise determination.

"Written Certificate of the University" means an instrument in writing signed on behalf of the University by a duly authorized officer thereof. Every Written Certificate of the University, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include: (A) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the Bond Resolution to which such certificate, request, statement or opinion relates; (B) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, request, statement or opinion is based; (C) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (D) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

APPENDIX B

SUMMARY OF THE RESOLUTION

Capitalized terms used herein and not otherwise defined are used as defined in "APPENDIX A—GLOSSARY OF CERTAIN TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT."

The following is a summary of certain provisions of the Resolution and is not to be considered a full statement thereof. The Resolution and all supplements thereto, are on file at the University, c/o Vice President for Finance and Administration, ISU Financial Services, 921 South 8th Avenue, Stop 8219, Building #10, 2nd Floor, Pocatello, Idaho 83209; or at the office of the Trustee, U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101.

GENERAL PROVISIONS RELATING TO THE BONDS

Authorization of Bonds

Bonds designated as "General Revenue Bonds" are authorized to be issued by the University under the Resolution. The maximum principal amount of the Bonds which may be issued under the Resolution is not limited; provided, however, that the University reserves the right to limit or restrict the aggregate principal amount of the Bonds which may at any time be issued or Outstanding under the Resolution. Bonds may be issued in such series as from time to time shall be established and authorized by the University subject to the provisions of the Resolution. The Bonds may be issued in one or more series pursuant to one or more Supplemental Resolutions. The designation of the Bonds shall include, in addition to the name "General Revenue Bonds," such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular series as the University may determine. Each Bond shall bear upon its face the designation so determined for the series to which it belongs. Each Bond shall recite in substance that it is payable from and secured by the Pledged Revenues of the University pledged for the payment thereof.

Terms of Bonds

The principal of and interest on, and the redemption price of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee or of any Paying Agent at the option of a Registered Owner. Payment of interest on any fully registered Bond shall be (i) made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof as of the close of business on the Record Date at his address as it appears on the registration books of the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner, or (ii) with respect to units of $500,000 or more of Bonds, made by wire transfer to the Registered Owner as of the close of business on the Record Date next preceding the interest payment date if such Registered Owner shall provide written notice to the Trustee not less than 15 days prior to such interest payment date at such wire transfer address as such Registered Owner shall specify, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on any interest payment date, such defaulted interest shall be paid to the Registered Owners in whose name any such Bond is registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

The Bonds of any series may be issued only in fully registered form without coupons in authorized denominations.

Transfer or Exchange of Bonds

Any Bond shall be transferable by the Registered Owner thereof in person, or by his attorney duly authorized in writing, upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor. Provided, however, that the Trustee shall not be required to transfer the Bonds within 15 calendar days of a principal or interest payment.

Lost, Stolen, Mutilated or Destroyed Bonds

In case any Bond shall be lost, stolen, mutilated or destroyed, the Trustee may authenticate and deliver a new Bond or Bonds of like date, denomination, interest rate, maturity, number, tenor and effect to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the University and the Trustee in connection therewith and upon his filing with the University and the Trustee evidence satisfactory to the University and the Trustee of his ownership thereof, and upon furnishing the University and the Trustee with indemnity satisfactory to the University and the Trustee.

Notice of Redemption

A. Notice of Redemption. Notice of any redemption of Bonds shall be sent by the Trustee by first-class mail, postage prepaid, not less than thirty-five (35) nor more than sixty (60) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register. This requirement shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the Registered Owner of any Bond to be redeemed.

B. Effect of Redemption. When so called for redemption, such Bonds shall cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such Bonds shall not be deemed to be Outstanding as of such redemption date.

C. Open Market Purchase. The University reserves the right to purchase the Bonds on the open market at a price equal to or less than par. In the event the University shall purchase Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the Bonds so purchased shall be credited at the par amount thereof against the Debt Service requirement next becoming due. In the event the University shall purchase term Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the term Bonds so purchased shall be credited against the Mandatory Redemption Amounts next becoming due. All Bonds so purchased shall be cancelled.

Additional Bonds

The University reserves the right to issue Additional Bonds, including the Series 2012 Bonds, secured equally and ratably with outstanding Bonds under the Resolution by a pledge of (i) Pledged Revenues and (ii) the funds established by the Resolution, upon the conditions set forth in Article VII of the Resolution and as described in the Official Statement.

Payment Agreements

For purposes of this Payment Agreements Section, the following words have the following definitions:

(1) "Payment" means any payment required to be made by or on behalf of the University under a Payment Agreement and which is determined according to a formula set forth in the Payment Agreement.

(2) "Parity Payment Agreement" means a Payment Agreement under which the University's payment obligations are expressly stated to be secured by a pledge of and lien on Pledged Revenues on an equal and ratable basis with the Pledged Revenues required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on Outstanding Bonds.

(3) "Payment Agreement" means a written agreement, for the purpose of managing or reducing the University's exposure to fluctuations or levels of interest rates, currencies or commodities or for other interest rate, investment, asset or liability management purposes, entered into on either a current or forward basis by the University and a Qualified Counterparty, all as authorized by any applicable laws of the State, such agreement may or may not be characterized by a structure of reciprocity of payment.

(4) "Payment Agreement Payment Date" means any date specified in the Payment Agreement on which a Payment or Receipt is due and payable under the Payment Agreement.

(5) "Receipt" means any payment (designated as such by a resolution) to be made to, or for the benefit of, the University under a Payment Agreement by the Payor.

(6) "Payor" means a Qualified Counterparty to a Payment Agreement that is obligated to make one or more payments thereunder.

(7) "Qualified Counterparty" means a party (other than the University or a party related to the University) who is the other party to a Payment Agreement that has or whose obligations are unconditionally guaranteed by a party that has at least an investment grade rating from Moody's and S&P and who is otherwise qualified to act as the other party to a Payment Agreement under any applicable laws of the State.

A Payment Agreement Payment made under a Payment Agreement may be on a parity of lien with the payment of the Bonds if the Payment Agreement satisfies the requirements for Additional Bonds as described in the Resolution, taking into consideration regularly scheduled Payment Agreement Payments and Receipts (if any) under the Payment Agreement.

The Payment Agreement may oblige the University to pay, on one or more scheduled and specified Payment Agreement Payment Dates, the Payments in exchange for the Payor's obligation to pay or to cause to be paid to the University, on scheduled and specified Payment Agreement Payment Dates, the Receipts. The University may also enter into Payment Agreements that are not reciprocated by the other party to the agreement.

If the University enters into a Parity Payment Agreement, Payments shall be made from the Debt Service Account and annual Debt Service shall include any regularly scheduled University Payments adjusted by any regularly scheduled Receipts during a Fiscal Year. Receipts shall be paid directly into the Debt Service Account. Obligations to make unscheduled payments, such a termination payments, may not be entered into on a parity with the Bonds. To the extent that a Parity Payment Agreement has been designated as a hedge of the interest rate features of either fixed rate bonds or Bonds bearing variable rates of interest, annual Debt Service during the term of such Parity Payment Agreement shall be modified to reflect such Parity Payment Agreement.

The University is not precluded from entering into Payment Agreements with a claim on Pledged Revenues junior to that of the Bonds or from entering into obligations on a parity with the Bonds in connection with the use of Payment Agreements or similar instruments if the University obtains an opinion of Bond Counsel that the obligations of the University thereunder are consistent with the Resolution.

PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND ACCOUNTS; INVESTMENT OF FUNDS

Pledge of Pledged Revenues

In the Resolution, the University pledges for the payment of the Bonds, equally and ratably, the Pledged Revenues and all money in the Bond Fund. The Pledged Revenues and other money in the Revenue Fund and the Bond Fund, if any, shall not, except as provided in the Resolution, be used for any other purpose while any of the Bonds remain Outstanding. This pledge shall constitute a first and exclusive lien on the Pledged Revenues and such other moneys in the Revenue Fund and the Bond Fund, if any, for the payment of the Bonds in accordance with the terms of the Resolution.

Confirmation and Establishment of Funds

The following Funds are established under the Resolution:

A. Revenue Fund to be held by the University;

B. Construction Fund to be held by the University;

C. Bond Fund, consisting of a Debt Service Account to be held by the Trustee;

D. Cost of Issuance Fund to be held by the University; and

E. Rebate Fund to be held by the University.

The Trustee may establish one or more separate and segregated sub-accounts within the Accounts and Funds from time to time as shall be necessary. The Series 2012 Supplemental Resolution creates a "Series 2012 Cost of Issuance Fund" to be held by the University from which the expenses of issuing the Series 2012 Bonds shall be paid.

Revenue Fund; Bond Fund; Flow of Funds

A. Required Deposits. The University shall deposit as received all Pledged Revenues into the Revenue Fund. The University shall deposit into the Debt Service Account in the Bond Fund the accrued interest, if any, received from the sale of a series of Bonds to the initial purchasers thereof. The University shall also deposit into the Debt Service Account the portion, if any, of the Net Proceeds designated as capitalized interest on a series of Bonds.

B. Permitted Deposits. At any time the University may deposit into the Revenue Fund or the Bond Fund such other funds and revenues that do not constitute Pledged Revenues, as the University may in its discretion determine.

C. Required Transfers. Moneys in the Revenue Fund shall first be transferred to the Trustee for deposit in the Debt Service Account in the Bond Fund not later than five (5) days before any Payment Date, an amount equal to Debt Service coming due on such Payment Date. There may be credited against the foregoing transfer, however, any moneys deposited in the Debt Service Account which are available to pay Debt Service on the Bonds and which have not previously been taken as a credit against the required transfers.

The Trustee shall pay out of the Debt Service Account to the Registered Owners of the Bonds entitled to such payment on or before each Payment Date the amount of Debt Service payable on such date.

Amounts remaining in the Revenue Fund at any time in excess of the amounts necessary to make the payments required above may be applied by the University, free and clear of the lien of the Resolution, to the extent permitted by law, (i) to the redemption of Bonds, or (ii) for any other lawful purpose of the University.

Construction Fund

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution.

The University may establish within the Construction Fund separate Project Accounts and may establish one or more subaccounts in each Project Account. The Series 2007 Supplemental Resolution designates a "Series 2007 Project Account" in the Construction Fund. Income received from the investment of moneys in the Project Account in the Construction Fund shall be credited to the Project Account. Upon completion of the Project, the Project Account shall be closed, and all remaining amounts in the Project Account shall be transferred to the Debt Service Account in the Bond Fund.

Before any payment is made from the Project Account in the Construction Fund, the University shall execute a Written Certificate showing with respect to each payment to be made the name of the person to whom payment is due and the amount to be paid and certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and in a reasonable amount against the Project Account in the Construction Fund and has not been theretofore included in a prior Written Certificate, and that insofar as any such obligation was incurred for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the acquisition of the Project or delivered at the site of the Project for that purpose or delivered for storage or fabrication or as a progress payment due on equipment being fabricated to order.

Investment of Funds

Moneys held in any fund or account shall be invested and reinvested by the University or the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such fund or account.

The Trustee shall make investments only in accordance with instructions received from an Authorized Officer of the University. Except as provided to the contrary in the Resolution, income received from the investment of moneys in any fund or account shall be credited to such fund or account.

COVENANTS OF THE UNIVERSITY

So long as any Bonds are Outstanding, the University covenants as follows:

Punctual Payment of Bonds

The University will punctually pay or cause to be paid the principal or redemption price and the interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Resolution.

Covenant Regarding Pledged Revenues

The University shall establish and maintain the Pledged Revenues sufficient, together with other revenues available or to be available in the Debt Service Account to pay Debt Service for the Fiscal Year, to produce Revenues Available for Debt Service in each Fiscal Year equal to not less than 110% of the Debt Service on the Bonds Outstanding for each such Fiscal Year.

Existence of University

The University will maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished.

Accounts and Reports

A. The University will at all times keep, or cause to be kept, proper books of record and accounts in accordance with generally accepted accounting principles in which complete and accurate entries shall be made of all transactions relating to the Operation and Maintenance Expenses of the Facilities, the allocation and application of the Pledged Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or the Registered Owners of not less than five percent of the Bonds then Outstanding, or their representatives authorized in writing.

B. The University will place on file with the Trustee promptly upon the receipt thereof by the University and in any event annually within six (6) months after the close of each Fiscal Year, a copy of its annual audit report covering the operations of the University and certified by a Certified Public Accountant. Such report shall provide such information as is necessary to evidence compliance with applicable agreements and covenants made by the University in the Resolution.

C. The reports, statements, and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Registered Owners at the principal trust office of the Trustee and shall be mailed to each Registered Owner, investment banker, security dealer, or other person interested in the Bonds who shall file a written request therefor with the University.

D. The University shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default under the Resolution, a Written Certificate of the University specifying such Event of Default; and (ii) no later than five months following the end of each Fiscal Year a Written Certificate of the University stating that, to the best of the knowledge and belief of the authorized officer of the University executing such Written Certificate, except for any Event of Default then existing which shall have been specified in the Written Certificate of the University referred to in (i) above, the University has kept, observed, performed, and fulfilled each and every one of its covenants and obligations contained in the Resolution, and there does not exist at the date of such Written Certificate any Event of Default by the University under the Resolution or other event which, with the lapse of time specified in the Resolution, would become an Event of Default under Article XI of the Resolution, or, if any such Event of Default under Article XI of the Resolution or other event shall so exist, specifying the same and the nature and status thereof.

Compliance With the Resolution

The University will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of the Resolution and will not suffer or permit any default to the Resolution, but will faithfully observe and perform all the covenants, conditions, and requirements thereof. The University will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or facilitate the performance of the Resolution, and for better assuring and confirming unto the registered Owners of the Bonds of the rights, benefits, and security provided in the Resolution. The University for itself, its successors and assigns, represents, covenants, and agrees with the Registered Owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain Outstanding and the principal or redemption price thereof or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in the Resolution and the Bonds.

Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds

The University is duly authorized under all applicable laws to issue the Bonds and to adopt the Resolution and to pledge the Pledged Revenues and other moneys, securities, and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the University in accordance with their terms and the terms of the Resolution. The University shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge of the Pledged Revenues and other moneys, securities, and funds pledged under the Resolution and all the rights of the Registered Owners under the Resolution against all claims and demands of all persons whomsoever.

Power to Own and Operate the Facilities and Collect Fees

The University has, and will have so long as any Bonds are Outstanding, good right and lawful power to own and operate the Housing System and to fix and collect the Pledged Revenues.

MODIFICATION OR AMENDMENT OF RESOLUTION

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution and pursuant to the affirmative vote at a meeting of Registered Owners, or with the written consent without a meeting, (1) of the Registered Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, (2) in case less than all of the several series of Bonds then Outstanding are affected by the modification or amendment, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of each series so affected and then Outstanding, and (3) in case the modification or amendment changes the terms of any Mandatory Redemption Amounts, of the Registered Owners of at least sixty percent (60%) in principal amount of the Bonds of the particular series and maturity entitled to such Mandatory Redemption Amounts and then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified series remain Outstanding, the consent of the Registered Owners of Bonds of such series shall not be required and Bonds of such series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification of amendment shall (x) extend the fixed maturity of any Bond, or reduce the principal amount or redemption price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Registered Owner of each Bond so affected, or (y) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Registered Owners of all of the Bonds then Outstanding, or (z) without its written consent thereto, modify any of the rights or obligations of the Trustee.

The Resolution or any Supplemental Resolution and the rights and obligations of the University and of the Registered Owners of the Bonds may also be modified or amended at any time by a Supplemental Resolution, without the consent of any Registered Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the University in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the University;

(2) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution, or in regard to questions arising under the Resolution, as the University may deem necessary or desirable, and which shall not adversely affect the interests of the Trustee or the Registered Owners of the Bonds;

(3) to provide for the issuance of a series of Bonds, and to provide the terms and conditions under which such series of Bonds may be issued, subject to and in accordance with the provisions of Article VII of the Resolution;

(4) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated public obligations pursuant to the provisions of the Registered Public Obligations Act, chapter 9 of Title 57, Idaho Code; and

(5) during the term of any credit enhancement agreements (including, without limitation, standby bond purchase agreements and letters of credit) permitted in Section 57-231, Idaho Code, to amend any provisions of the Resolution which is intended solely to be for the benefit of the issuer of the credit enhancement agreement.

Such Supplemental Resolution shall become effective as of the date of its adoption or such later date as shall be specified in such Supplemental Resolution.

EVENTS OF DEFAULT AND REMEDIES OF REGISTERED OWNERS

Events of Default

If any one or more of the following Events of Default shall occur, it is an “event of default” under the Resolution:

(1) failure to make the due and punctual payment of any Principal Installment of a Bond when and as the same shall become due and payable, whether at maturity, by call for redemption, or declaration or otherwise;

(2) failure to make the due and punctual payment of any installment of interest on any Bond or any Mandatory Redemption Amount, when and as such interest installment or any Mandatory Redemption Amount shall become due and payable;

(3) failure by the University to perform or observe any other of the covenants, agreements, or conditions on its part in the Resolution or in the Bonds contained, and such default shall continue for a period of thirty (30) days after written notice thereof to the University by the Trustee specifying such failure and requiring the same to be remedied;

(4) a judgment for the payment of money shall be rendered against the University, and any such judgment shall not be discharged within one hundred twenty (120) days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree of process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof;

(5) dissolution or liquidation of the University or the filing by the University of a voluntary petition in bankruptcy, or the commission by the University of any act of bankruptcy, or adjudication of the University as a bankrupt, or assignment by the University for the benefit of its creditors, or the entry by the University into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the University in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or which may hereafter be enacted;

(6) if an order or decree shall be entered, with the consent or acquiescence of the University, appointing a receiver or receivers of a Project, or any part thereof, or if such order or decree, having been entered without the consent and acquiescence of the University, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

(7) any event of default specified in a Supplemental Resolution,

the Trustee (by thirty (30) days' written notice to the University), or the Registered Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding (by notice in writing to the University and the Trustee) may (subject to limitations imposed by bond insurers) declare the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in the Bonds contained to the contrary notwithstanding.

Application of Funds and Moneys in Event of Default

A. If an Event of Default shall happen and shall not have been remedied, the University, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities, and funds then held by the University in any Fund under the Bond Resolution, and (ii) all Pledged Revenues as promptly as practicable after receipt thereof.

B. During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Pledged Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Section as follows and in the following order:

(1) To the payment of the reasonable and proper compensation, charges, expenses and liabilities of the Trustee;

(2) To the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses as necessary, in the judgment of the Trustee, to prevent deterioration of the Project or loss of Pledged Revenues therefrom. For this purpose the books or record and accounts of the University relating to the Project shall at all times be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default;

(3) To the payment of the interest and principal or redemption price then due on the Bonds as indicated in the Resolution.

C. If and whenever all overdue installments of interest on the Bonds, together with the reasonable and proper charge, expenses and liabilities of the Trustee, and all other sums payable by the University under this Bond Resolution, including the principal and redemption price of and accrued unpaid interest on the Bonds which shall then be payable by declaration or otherwise, shall either be paid by the Trustee for the account of the University, or provision satisfactory to the Trustee shall be made for such payment, and all Events of Default under this Bond Resolution shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the University and the Trustee shall be restored, respectively, to their former positions and rights under this Bond Resolution. No such restoration of the University and the Trustee in their former positions and rights shall extend to or affect any subsequent Events of Default under this Bond Resolution or impair any right consequent thereon.

Rights and Remedies of Registered Owners

A. No Registered Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to the Resolution, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless

(1) such Registered Owner has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Registered Owners of not less than twenty-five percent (25%) in principal amount of the Bonds shall have made written request to the Trustee

(3) to institute proceedings in respect of such Event of Default in its own name as Trustee;

(4) such Registered Owners have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(5) the Trustee for sixty (60) days after its receipt of such notice, request, and offer of indemnity has failed to institute any such proceedings; and

(6) no direction inconsistent with such written request has been given to the Trustee during such sixty-day period by the Registered Owners of a majority in principal amount of the Bonds; it being understood and intended that no one or more Registered Owner of Bond shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Resolution to affect, disturb, or prejudice the rights of any other Registered Owner of Bonds, or to obtain or to seek to obtain priority or preference over any other Registered Owner, or to enforce any right under the Resolution, except in the manner therein provided and for the equal and ratable benefit of all the Registered Owners of Bonds.

B. The Registered Owners of a majority in principal amount of the Outstanding Bonds shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) such direction shall not be in conflict with any rule of law or the Resolution,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Registered Owners not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

DEFEASANCE

Discharge of Indebtedness

A. If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of all Bonds the principal of or redemption price, if applicable, and interest due or to become due thereon, if applicable, at the times and in the manner stipulated therein and in the Resolution, or such Bonds shall have been deemed to have been paid as provided in the Supplemental Resolution authorizing a series of Bonds, then the pledge of any Pledged Revenues, and other moneys, securities and funds pledged under the Resolution and all covenants, agreements and other obligations of the University to the Registered Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the University to be prepared and filed with the University and, upon the request of the University, shall execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the University all moneys or securities held by it pursuant to the Resolution which are not required for the payment of principal or redemption price, if applicable, on Bonds.

B. Bonds or interest installments the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section. All Outstanding Bonds of any series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this section if (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail to the Registered Owners of such Bonds, notice of redemption of such Bonds on said date, (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, as applicable, and interest due and to become due, if applicable, on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the tax-exempt status of the interest (if any) on said Bonds taxable under the Code, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Registered Owners of such Bonds that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, or redemption price, as applicable and interest due and to become due if applicable on said Bonds.

APPENDIX C

STUDENT FEE AND TUITION SCHEDULE

The 2011-2012 fee schedule reflected an approximately 7.0 % overall increase to student fees from the 2010-2011 academic year, including an approximately 10.0% increase to Tuition. The 2012-2013 fee schedule reflects an approximately 4.7% overall increase to student fees from the 2011-2012 academic year, including an approximately 5.7% increase to Tuition. The University bases the Estimated Annual Revenue to be collected from each of the fees on budgeting assumptions of the student fees approved for the current academic year (2011-2012 with the exception of fees from the summer session, which are based on the 2010-2011 fee schedule), and the number of full-time and part-time students for the previous academic year (2010-2011). The number of students obtained by dividing the Estimated Annual Revenue line items for full-time students on the fee schedules is less than the full-time equivalents and fall semester full-time enrollees for fall 2011 shown under the heading "THE UNIVERSITY—Five-Year Historical Enrollment Summary." This is consistent with historic budgeting assumptions, including consideration of the University's policy to provide fee waivers or discounts to certain scholarship recipients and to certain employees and spouses of certain employees. The University's estimates include certain assumptions concerning refunds, late fees and other variables in individual fees, such that the annual estimated revenues of each fee are not the numerical product of the fee rates times a constant number for students paying such fees, but nonetheless represent the University's best estimate of fee revenues. As more fully discussed under the heading "THE UNIVERSITY—Five-Year Historical Enrollment Summary," the University's enrollment has remained relatively stable for the past three years, but has seen an overall increase over the last five years. While the University is empowered to set fees and tuition, it cannot control the number of students enrolled in any year and continued, significant declines in enrollment could impact the ability of the University to collect sufficient Pledged Revenues to pay principal and interest on the Bonds. Pledged Fees are shown in bold on the following table.

Full-time undergraduate fees are charged to undergraduate students taking 12 or more credit hours. Full-time graduate fees are charged to graduate students taking nine or more credit hours. Part-time credit hour fees are charged to students taking fewer than full-time credit hours. For summer, the part-time credit hour fee is charged regardless of the number of credits.

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ACADEMIC YEAR 2012-2013

	Full-Time Fees		Part-Time Fees			
	Fall and Spring	Annual Estimated Revenue	Rate Per Credit Hour Fall and Spring	Rate Per Credit Hour Summer	Annual Estimated Revenue	Total Annual Estimated Revenue
FACILITY FEES						
Student Facilities Fee	**$255.00**	**$4,386,000**	**–**	**–**	**–**	**$4,386,000**
Campus Technology	83.40	1,434,480	$6.15	$6.15	$295,200	1,729,680
GENERAL EDUCATION						
Tuition	**2,208.51**	**37,986,372**	**256.19**	**256.19**	**12,297,120**	**50,283,492**
ACTIVITY FEES						
Intercollegiate Athletics	116.41	2,002,252	3.30	3.30	158,400	2,160,652
Student Health Center	62.56	1,076,032	5.30	5.30	254,400	1,330,432
Student Union	130.39	2,242,708	6.79	6.79	325.920	2,568,628
ASISU Activities	56.12	965,264	3.66		124,440	1,089,704
Assoc. Student Body/ Programming (Summer Only)	–	–	–	6.00	84,000	84,000
Student ID Card	5.36	92,192	0.84	0.84	40,320	132,512
Childcare Services	14.41	247,852	2.00	2.00	96,000	343,852
Gender Resource Center	5.16	88,752	0.85	0.85	40,800	129,552
Leadership and Counselor Training	3.04	52,288	0.65	0.65	31,200	83,488
Marching Band	7.20	123,840	0.90	–	30,600	154,440
Debate Team	4.85	83,420	–	–	–	83,420
Intramural/Recreation	43.25	743,900	4.44	2.34	183,720	927,620
Student Band/Choir	5.22	89,784	–	–	–	89,784
Student Support	7.26	124,872	0.77	0.58	34,300	159,172
Alumni Activities	2.45	42,140	–	–	–	42,140
Scholarships	16.73	287,756	–	–	–	287,756
Stadium Operations	–	–	10.00	10.00	480,000	480,000
Outreach Program	–	–	1.47	0.22	53,060	53,060
Wellness Program	4.54	78,088	0.69	0.69	33,120	111,208
CW HOG	3.14	54,008				54,008
Subtotal Activity Fees	488.09		304.00			
Subtotal Student Fees	3,035.00					
OTHER FEES/TUITION						
Graduate/Professional	540.00	934,200	54.00		394,740	1,328,940
In-Service Undergraduate			96.00		633,600	633,600
Non-Resident Tuition	5,900.00	3,044,400	190.00		323,000	3,367,400
TOTAL ALL FEES						$72,094,540
Total Estimated Pledged Revenues from Pledged Fees						**$54,669,492**

APPENDIX D

FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2010 AND 2011 AND INDEPENDENT AUDITOR'S REPORT

Idaho State University

Financial Statements for the Years
Ended June 30, 2011 and 2010
and Independent Auditor's Report

IDAHO STATE UNIVERSITY
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REPORT OF INDEPENDENT AUDITORS

The Idaho State Board of Education
Idaho State University

We have audited the accompanying financial statements of Idaho State University (University) and its discretely presented component unit, Idaho State University Foundation, Inc. (the Foundation) as of and for the years ended June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the University's and Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Idaho State University Foundation, Inc., a discretely presented component unit, as described in Note 14. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for that component unit, is based solely on the report of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the University and its discretely presented component unit as of June 30, 2011 and 2010, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 11 and certain information in Note 10, *Postemployment Benefits Other Than Pensions*, that is labeled as "required supplementary information" is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Moss Adams LLP

Eugene, Oregon
September 30, 2011

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

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IDAHO STATE UNIVERSITY

Management's Discussion and Analysis
For the fiscal year ended June 30, 2011

INTRODUCTION

This Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Idaho State University for the fiscal year ended June 30, 2011. It is intended to promote greater understanding of Idaho State University's (ISU or the University) financial activities and position. The MD&A includes the University's condensed and comparative statements, along with related graphs and charts. It should be read in conjunction with the financial statements and related footnote disclosures that follow the discussion. The financial statements, footnotes, and this discussion are the responsibility of management.

As a comprehensive public institution of higher learning, Idaho State University, located in Pocatello, Idaho, has served the citizens of the State since 1901, when it was first established as the Academy of Idaho. The University provides both general education and specialized programs in arts, humanities, sciences, the professions, and technologies and contributes to the State and nation through related research and public service programs. Idaho State University offers a diverse range of degree programs from baccalaureate to post-doctoral levels through the Colleges of Science and Engineering, Arts and Letters, Business, Education, Health Professions, Pharmacy, Technology, and the Graduate School. Through its programs in Health Professions, Pharmacy, the Family Practice Medical Residency, and the Idaho Dental Education Program, the University represents the primary higher educational institution for health professions in the state of Idaho.

OVERVIEW

The University's financial statements have been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universitie*s.

The financial statements are comprised of the following components as explained briefly below.

Independent Auditor's Report – Presents an unqualified opinion rendered by an independent certified public accounting firm as to the fairness (in all material respects) of the financial statements. The audit firm is selected and engaged by the Idaho State Board of Education.

Statement of Net Assets – The statement of net assets includes all assets and liabilities of the University. Assets and liabilities are generally reported at their book value, on an accrual basis, as of the statement date. This statement also identifies any major categories of restrictions on the net assets of the University.

Statement of Revenues, Expenses, and Changes in Net Assets – The statement of revenues, expenses, and changes in net assets presents the revenues earned and expenses incurred during the year on an accrual basis, categorized as operating and nonoperating.

Statement of Cash Flows – The statement of cash flows presents the inflows and outflows of cash for the year; summarized by operating, non-capital financing, capital and related financing, and investing activities.

Notes to the Financial Statements – The Notes provide important additional information that expands and clarifies the financial statement data.

Component Unit – The Idaho State University Foundation, Incorporated (the Foundation) is a key partner and contributor to the University's educational mission and holds significant economic resources that benefit the University. It is the only affiliated organization that qualifies as a component unit of the University. Because the Foundation is a non-governmental entity, their financial statements are based upon reporting standards promulgated by the Financial Accounting Standards Board (FASB) and are audited by separate independent auditors. For purposes of this report, their financial information is presented on separate pages immediately following the corresponding university information.

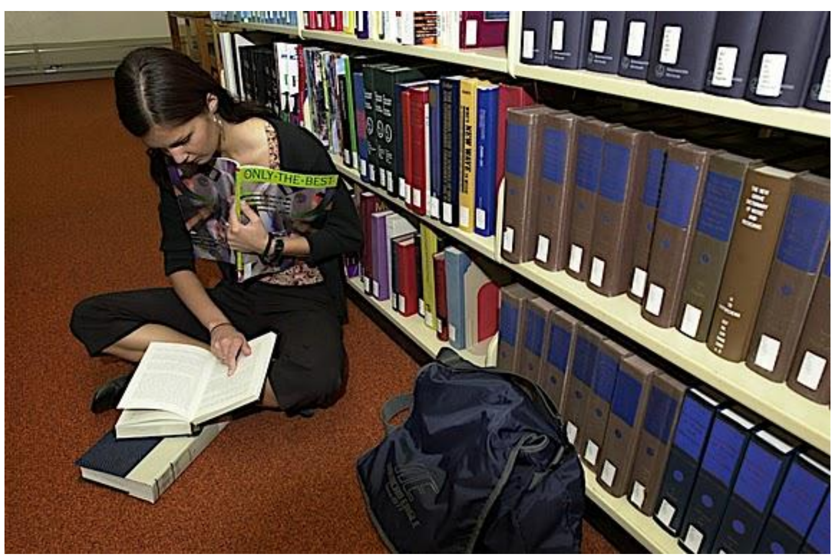
STATEMENT OF NET ASSETS

The *Statement of Net Assets* reflects the financial position of the University at the end of the fiscal year. The difference between total assets and total liabilities represents net assets. Changes in net assets occur over time and are one indicator of the financial condition of the University. Net Assets are presented in three major categories on the statement, each of which is described in more detail within the footnotes to the statements. A summary comparison of the assets, liabilities, and net assets for the years ended June 30, 2011, 2010, and 2009, is presented below.

Schedule of Net Assets

	June 30, 2011	June 30, 2010	June 30, 2009
Assets:			
Current Assets	$ 94,971,188	$ 80,612,923	$ 69,902,072
Noncurrent Assets	196,119,584	191,955,047	192,081,655
Total Assets	291,090,772	272,567,970	261,983,727
Liabilities:			
Current Liabilities	28,439,127	27,585,649	28,214,198
Noncurrent Liabilities	71,749,739	75,445,975	78,931,975
Total Liabilities	100,188,866	103,031,624	107,146,173
Net Assets:			
Invested in capital assets, net of related debt	123,571,307	113,836,708	108,043,090
Restricted, expendable	6,558,524	8,479,940	13,023,152
Unrestricted	60,772,075	47,219,698	33,771,312
Total Net Assets	$ 190,901,906	$ 169,536,346	$ 154,837,554

As shown in the schedule above, the University's total net assets increased by approximately $21.4 million from the prior fiscal year. The increase results from a variety of issues, but the major contributing factors are holding costs relatively flat, stable enrollment, and reducing debt, coupled with increases in tuition and fees, grants, and additions to capital assets. The overall increase was offset by the continuing decline in state funding.



REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

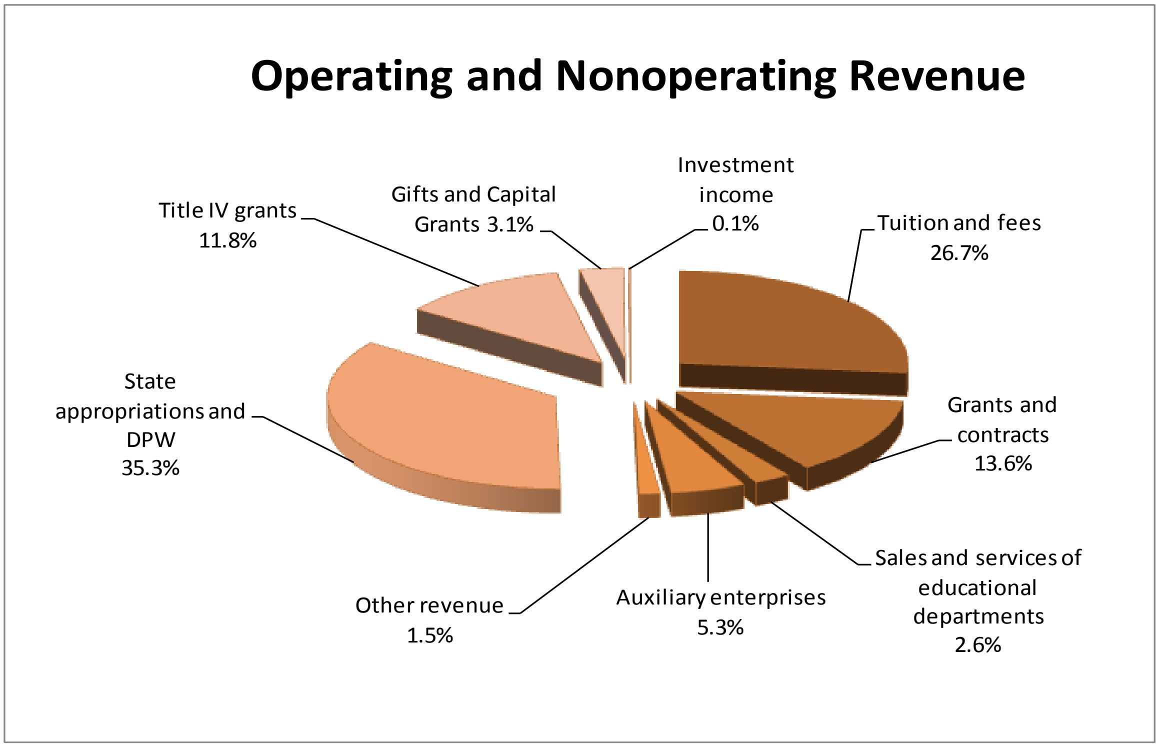
A comparative statement summarizing the University's revenues, expenses, and changes in net assets for the years ended June 30, 2011, 2010, and 2009, is shown below.

Summary Statement of Revenues, Expenses & Changes in Net Assets	FY 2011	FY 2010	FY 2009
Operating revenues			
Student tuition and fees (net of scholarship discounts and allowances)	$ 62,525,361	$ 57,721,128	$ 52,694,142
Federal grants and contracts	13,653,117	14,166,811	13,734,296
State and local grants and contracts	9,786,215	9,813,602	9,822,969
Private grants and contracts	8,532,830	6,719,031	6,932,162
Sales and services of educational activities	6,066,029	5,543,843	4,233,153
Sales and services of auxiliary enterprises	12,426,182	12,444,156	12,222,735
Other	3,470,991	2,821,388	3,349,149
Total operating revenues	116,460,725	109,229,959	102,988,606
Operating expenses	209,724,689	207,824,538	211,124,375
Operating income (loss)	(93,263,964)	(98,594,579)	(108,135,769)
Nonoperating revenues (expenses)			
State appropriations	75,402,147	78,816,476	88,048,039
State Department of Public Works	7,375,601	3,892,864	11,962,205
Title IV grants	27,767,664	24,301,307	15,515,208
Gifts	5,396,289	5,959,068	6,705,788
Net investment income	252,720	238,229	614,313
Amortization of bond financing costs	(60,954)	(60,953)	(60,953)
Interest on capital asset related debt	(3,355,101)	(3,507,755)	(3,502,128)
Net nonoperating revenues (expenses)	112,778,366	109,639,236	119,282,472
Other revenue and expenses			
Capital gifts and grants	1,937,104	3,639,092	84,764
Gain or (loss) on disposal of fixed assets	(85,946)	15,043	(76,953)
Net other revenues and expenses	1,851,158	3,654,135	7,811
Increase in net assets	21,365,560	14,698,792	11,154,514
Net assets - beginning of year	169,536,346	154,837,554	143,683,040
Net assets - end of year	$ 190,901,906	$ 169,536,346	$ 154,837,554

Revenue

Operating revenues received by the University are the result of providing goods and services to the various customers and constituencies of the University. Student tuition and fees, as well as research grants and contracts, are prime examples of operating revenues. Nonoperating revenues are those monies received for which goods and services are not provided. For example, as a public institution, one of ISU's primary sources of revenue is appropriations provided by the state of Idaho, which, as directed by GASB standards, are classified as nonoperating revenue. As a result, the University's financial statements typically show an operating loss. A more comprehensive assessment of the operations of the University is reflected in the change in net assets at the end of the year.

Total revenues for the year ended June 30, 2011, were $234.6 million, representing an increase of 3.8% from fiscal year 2010. Below is a graphic illustration of revenues by source (both operating and non-operating) for the year ended June 30, 2011.



Fiscal year 2011, continued the trend in reduced general and programmatic appropriations from the State of Idaho. This is reflected by a 4.3% reduction in appropriated funding, which equates to $3.4 million. When combined with the Department of Public Works (DPW), total state funding is relatively flat. However, this is a factor of one-time funding of $5.2 million from the DPW for completion of the Meridian remodel project.

To help offset appropriated funding reductions, all state-supported institutions of higher education in Idaho increased tuition and fees in fiscal year 2011. This increase at ISU, coupled with the on-going cost reduction initiatives, were strategic steps considered necessary to sustain the institution and build reserves to face the challenging and uncertain economic times, and maintain a course that ensures educational excellence for our students. In addition, revenue from federal title IV grant funds delivered as aid to students rose during the year by $3.5 million, or 14.3%.

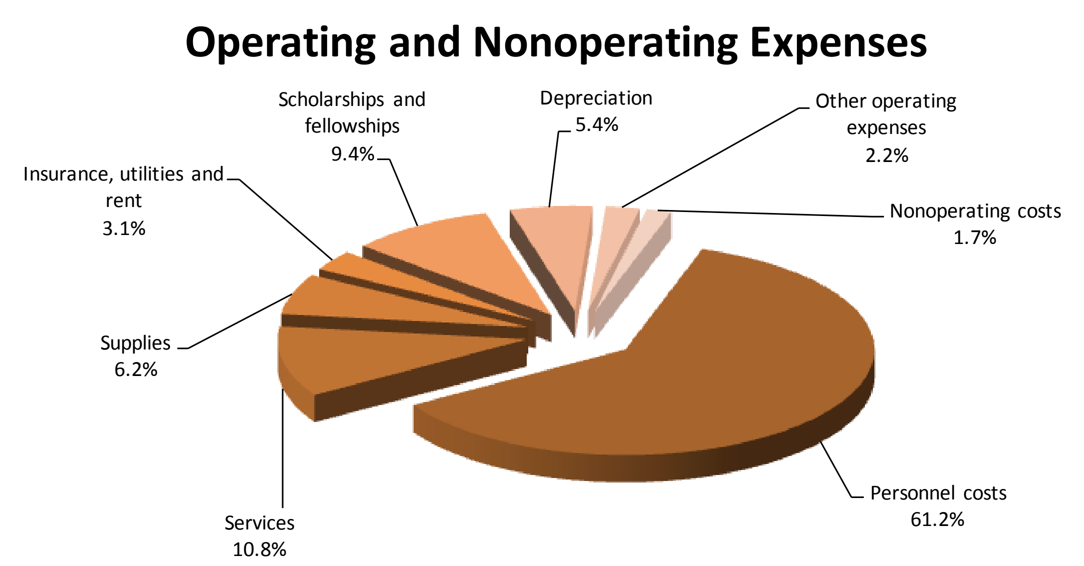
Revenue from research grants was up 4.1%, or about $1.3 million. The institution continues its strong commitment to research, as evidenced by the Carnegie Foundation's classification of Idaho State University as a Research University-High status. ISU is only one of 98 institutions in the country in this prestigious group. As part of our commitment to research, the University purchased a 209,000 square foot building located in the University Research Park to house the Idaho Joint Research Center. The center will provide a multidisciplinary approach to energy research, including material sciences, electrical engineering, and nuclear engineering.

Expenses

Operating expenses represent the costs associated with providing goods and services to enable us to carry out the mission of the University. A comparative summary of expenses for the years ended June 30, 2011, 2010, and 2009 is presented below, along with a graphic of expenditures by natural classification.

Summary Statement of Expenses

	2011	2010	2009
Operating			
Personnel costs	$ 130,457,000	$ 133,372,372	$ 137,900,068
Services	23,073,330	21,246,038	22,905,039
Supplies	13,257,589	11,200,367	12,311,174
Insurance, utilities and rent	6,660,260	7,172,329	7,913,599
Scholarships and fellowships	20,084,127	20,067,882	15,048,716
Depreciation Expense	11,462,198	10,832,307	10,047,530
Other operating Expenses	4,730,185	3,933,243	4,998,249
Total operating expenses	209,724,689	207,824,538	211,124,375
Nonoperating			
Amortization of bond financing costs	60,954	60,953	60,953
Loss (gain) on disposal of fixed assets	85,946	(15,043)	76,953
Interest on capital asset related debt	3,355,101	3,507,755	3,502,128
Total nonoperating expenses	$ 3,502,001	$ 3,553,665	$ 3,640,034



Nonoperating costs include interest on capital debt and bond amortization costs

At $209.7 million, fiscal year 2011 operating expenditures increased by less than 1%. Holding operating costs at a relatively flat position is once again indicative of the initiatives the University implemented to

6

meet the challenges of the declining economy and budget holdbacks and prepare for additional financial challenges in the future. Where feasible, delayed hiring and the use of temporary employees helped to maintain stable personnel costs. The majority of the $2.9 million dollar decrease in these costs is related to state insurance premium reprieves during the year. This was partially offset by increases in supplies, which were driven by much needed non-capital expenditures in computer labs and centers, instructional media, and the Center for Advanced Energy Studies research facility. Increased outlays for services were primarily the result of completing necessary repair and maintenance efforts through the DPW and an increase in costs stemming from subcontract work on sponsored grants and projects.

In addition to the natural classification of expenses presented previously, the three-year comparative summary of expenses categorized by functional classification provides additional insight into the nature of University expenditures. While there were no material changes over the prior year, it is noteworthy that expenditures for student services continue to increase. This reflects the infusion of $380,000 in the Career Path Internship program and enhanced efforts for international students and advising.

Summary Statement of Operating Expenses by Function

	2011	2010	2009
Instruction	$ 80,931,125	$ 81,513,589	$ 86,851,409
Research	18,092,340	17,394,610	17,282,465
Public Service	4,064,941	4,291,417	5,127,353
Academic Support	11,025,514	11,351,090	11,306,932
Libraries	2,400,075	2,522,461	2,552,186
Student Services	8,269,463	7,443,122	7,428,907
Institutional Support	17,620,322	17,526,844	17,824,842
Maintenance and Operations	14,027,825	13,572,310	16,005,877
Auxilary Enterprises	21,746,759	21,308,706	21,648,158
Scholarships and Fellowships	20,084,127	20,068,082	15,048,716
Depreciation	11,462,198	10,832,307	10,047,530
Total Functional Expenses	$ 209,724,689	$ 207,824,538	$ 211,124,375

CASH FLOWS

The various sources of cash, along with their application and use, are presented in the *Statement of Cash Flows.* This analytical perspective is useful in assessing the ability of the university to satisfy its financial obligations as they come due. The statement classifies the flow of cash in the following four categories.

<u>Operating activities</u> - Displays the net cash flow required to conduct the day-to-day operating activities of the institution and reflects the continued need for funding from the state of Idaho.

<u>Noncapital financing activities</u> - Reflects the net cash flow of non-operating transactions not related to investing or capital financing activities, and includes funds provided by state appropriations.

<u>Capital and related financing activities</u> - Includes payments for the acquisition of capital assets, proceeds from long-term debt, and debt repayment.

Investing activities – Details the funds involved in the purchase and sale of investments and reflects the change in rates of return on invested funds.

The statement summarizes the net cash flow and reconciles to the operating income or loss, as reflected on the *Statement of Revenues, Expenses, and Changes in Net Assets*.

A summary of the *Statement of Cash Flows* for the year ended June 30, 2011, is presented below.

Summary Statement of Cash Flows

	FY 2011	FY 2010	FY 2009
Cash and cash equivalents (used in) or provided by:			
Operating activities	$ (77,316,030)	$ (86,116,976)	$ (91,536,212)
Noncapital financing activities	107,537,874	105,911,573	109,034,526
Capital and related financing activities	(16,803,973)	(14,241,614)	(21,467,964)
Investing activities	214,823	217,735	539,831
Net increase (decrease) in cash	13,632,694	5,770,718	(3,429,819)
Cash and cash equivalents, beginning of year	62,597,060	56,826,342	60,256,161
Cash and cash equivalents, end of year	$ 76,229,754	$ 62,597,060	$ 56,826,342

For purposes of the *Statement of Cash Flows*, the University considers all highly liquid investments with an original maturity of three months or less and all non-negotiable certificates of deposit to be cash equivalents.

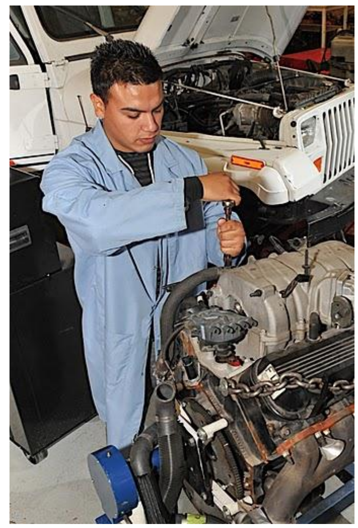
CAPITAL ASSET AND DEBT ACTIVITIES

The University considers the effective management of the institution's physical resources as a fundamental element of its financial stewardship, including the prudent use of debt to finance such resources. The development and maintenance of our physical resources is a key factor in creating and sustaining a learning environment that permits education to flourish. Idaho State University's total capital assets before depreciation increased by $14.0 million; from $326.0 million in 2010, to $340.0 million in 2011.

Total institutional long-term debt declined by $4.3 million from $75.1 million at June 30, 2010, to $70.8 million at June 30, 2011. The University incurred no new long-term debt and continued to pay down existing debt according to the debt schedule detailed in the notes of this report.

ECONOMIC OUTLOOK

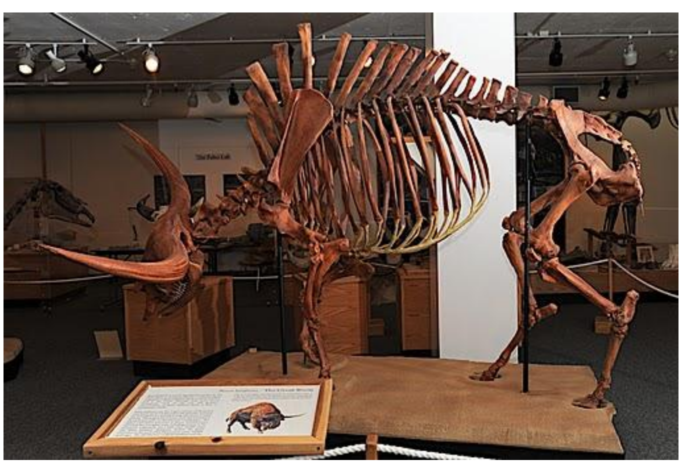
Despite the challenges experienced during the economic downturn in the nation and world, ISUs overall financial position remains relatively strong. The University has incurred no new debt in recent years and continues to monitor and minimize expenditures wherever and whenever it makes sense to do so. Managing multiple, consecutive years of reductions in state appropriated dollars has been, and continues to be challenging. Along with cost containment, alternative revenue sources have been utilized to maintain and sustain quality educational programs. As the cost of delivering these programs continues to rise, the University must depend on private gifts, research grants, and tuition and fees for incremental revenue.



The University continued it efforts and progress on many initiatives during the fiscal year. The research efforts of faculty and others continue to produce exemplary results. For example, there will be more family doctors in Idaho due to a $960,000 grant awarded this fall to the Family Medicine Residency Program. The grant is designed to increase the number of primary care physicians in the state and will increase the total number of medical residents in the residency program from 18 to 21 over the next five years.

The College of Technology received a $1.2 million dollar “Go On” grant from the J.A. and Kathryn Albertson Foundation to improve Idaho's student retention rates. Under the program, students will work with the Center for New Directions to develop an educational and career plan and counselors and faculty will serve as mentors. Scholarships will be available for further credit courses and various business and industry representatives will frequently meet with students about their career options and choices.

The Idaho Museum of Natural History, located on the Pocatello campus, was awarded full accreditation by the American Association of Museums. The museum met rigid standards in all areas and was cited as making impressive changes, especially in terms of university support. The Association stated the museum has become not only “…one of the finest in Idaho, but also one of the best in America."



Efforts by University researchers were bolstered by a $1.0 million grant from the National Science Foundation dealing with “virtual zooarchaeology.” The grant furthers development of an online two and three-dimensional archeological collection of Arctic animal bones and will provide tools necessary to assist more efficient, accurate, and cost-effective analyses by researchers around the world.

The NCAA Division I Committee on Athletics Certification awarded the Department of Athletics NCAA Certification without condition. In meeting the NCAA requirements, the University increased the number of women's athletic scholarships, increased funding for the program, and improved the women's softball complex and the intercollegiate locker rooms for women's volleyball, softball, and basketball.

Since the University is ultimately subject to the same economic variables that affect other financial entities, it is not possible to predict future outcomes. We have a number of challenges ahead and maintaining the ambitious course we have set will not be a simple task. However, we remain confident that through careful stewardship of our resources, exercising thoughtful and prudent decision making, and continuing to work together with the various stakeholders and constituencies that support Idaho State University, we will continue to offer outstanding educational opportunities for our students.

The audited financial statements included in this report, along with the accompanying notes to the financial statements, provide pertinent information and details related to the financial activities discussed in this analysis.

IDAHO STATE UNIVERSITY
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 46,469,047	$ 45,898,241
Cash with Treasurer	29,760,707	16,698,819
Student loans receivable	251,780	299,594
Accounts receivable and unbilled charges, less allowance for doubtful accounts of $1,358,432 and $510,614, respectively	13,209,650	11,225,799
Due from state agencies	4,048,548	5,661,440
Interest receivable	128,615	90,718
Inventories	276,492	251,702
Prepaid expenses	826,349	486,610
Total current assets	94,971,188	80,612,923
NONCURRENT ASSETS:		
Student loans receivable, less allowance for doubtful loans of $504,502 and $488,852	1,527,146	1,564,654
Assets held in trust	269,941	1,512,602
Deferred bond financing costs	1,037,808	1,125,445
Property, plant, and equipment, net	193,284,689	187,752,346
Total noncurrent assets	196,119,584	191,955,047
TOTAL ASSETS	$ 291,090,772	$ 272,567,970
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 2,685,986	$ 2,223,049
Due to state agencies	546,367	1,541,318
Accrued salaries and benefits payable	9,452,002	8,915,073
Compensated absences payable	4,288,645	4,594,205
Deposits	179,794	152,637
Funds held in custody for others	698,243	694,740
Deferred revenue	5,300,724	4,438,141
Accrued interest payable	864,961	917,425
Notes and bonds payable	4,422,405	4,109,061
Total current liabilities	28,439,127	27,585,649
NONCURRENT LIABILITIES:		
Other post-employment benefits payable	5,360,000	4,453,000
Notes and bonds payable	66,389,739	70,992,975
Total noncurrent liabilities	71,749,739	75,445,975
TOTAL LIABILITIES	100,188,866	103,031,624
NET ASSETS:		
Invested in capital assets, net of related debt	123,571,307	113,836,708
Restricted, expendable	6,558,524	8,479,940
Unrestricted	60,772,075	47,219,698
Total net assets	190,901,906	169,536,346
TOTAL LIABILITIES AND NET ASSETS	$ 291,090,772	$ 272,567,970

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2011 AND 2010

ASSETS	2011	2010
Cash and cash equivalents	$ 2,419,802	$ 642,044
Cash and cash equivalents-restricted	851,039	735,366
Investments	41,051,000	37,757,721
Gift Pledges receivable, net	3,233,981	3,768,157
Cash surrender value	44,219	40,062
Miscellaneous receivables	20,001	40,509
Capitalized bond issuance costs, net	165,154	188,945
Property held for sale and investments	1,697,327	1,999,271
Total Assets	$ 49,482,523	$ 45,172,075
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 58,904	$ 57,953
Scholarships and other payables to ISU	785,724	787,018
Obligations to beneficiaries under split-interest agreements	710,014	1,216,702
Funds held in custody for others	49,310	42,073
Long term debt	6,000,000	9,260,000
Total liabilities	7,603,952	11,363,746
NET ASSETS		
Unrestricted	(4,793,872)	(10,267,059)
Temporarily restricted	16,622,396	16,127,084
Permanently restricted	30,050,047	27,948,304
Total net assets	41,878,571	33,808,329
Total Liabilities and net assets	$ 49,482,523	$ 45,172,075

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY

STATEMENT OF REVENUES EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
OPERATING REVENUES		
Student tuition and fees (net of scholarship discounts and allowances of $22,998,668 and $21,643,103 respectively)	$ 62,525,361	$ 57,721,128
Federal grants and contracts	13,653,117	14,166,811
State and local grants and contracts	9,786,215	9,813,602
Private grants and contracts	8,532,830	6,719,031
Sales and services of educational activities	6,066,029	5,543,843
Sales and services of auxiliary enterprises	12,426,182	12,444,156
Other	3,470,991	2,821,388
Total operating revenues	116,460,725	109,229,959
OPERATING EXPENSES		
Personnel costs	130,457,000	133,372,372
Services	23,073,330	21,246,038
Supplies	13,257,589	11,200,367
Insurance, utilities and rent	6,660,260	7,172,329
Scholarships and fellowships	20,084,127	20,067,882
Depreciation	11,462,198	10,832,307
Miscellaneous	4,730,185	3,933,243
Total operating expenses	209,724,689	207,824,538
OPERATING LOSS	(93,263,964)	(98,594,579)
NONOPERATING REVENUES (EXPENSES)		
State appropriations:		
State general account - general education	61,632,435	64,586,565
Endowment income	2,124,036	2,124,326
Other state appropriations	2,646,998	2,580,092
Professional technical education	8,998,678	9,525,493
Department of Public Works	7,375,601	3,892,864
Title IV grants	27,767,664	24,301,307
Gifts (including $5,064,955 and $4,876,757 respectively, from Idaho State University Foundation)	5,396,289	5,959,068
Net investment income	252,720	238,229
Amortization of bond financing costs	(60,954)	(60,953)
Interest on capital asset related debt net of capitalized	(3,355,101)	(3,507,755)
Net nonoperating revenues	112,778,366	109,639,236
INCOME BEFORE OTHER REVENUES AND EXPENSES	19,514,402	11,044,657
OTHER REVENUES AND EXPENSES		
Capital gifts and grants (including $0 and $3,354,000, respectively from Idaho State University Foundation)	1,937,104	3,639,092
Gain or (loss) on disposal of fixed assets	(85,946)	15,043
Net other revenues and expenses	1,851,158	3,654,135
INCREASE IN NET ASSETS	21,365,560	14,698,792
NET ASSETS, BEGINNING OF YEAR	169,536,346	154,837,554
NET ASSETS, END OF YEAR	$ 190,901,906	$ 169,536,346

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Contributions and gifts	$ 2,861,739	$ 2,444,905	$ 2,047,129	$ 7,353,773
Contributed services	745,262	-	-	745,262
Interest and dividends	252,304	391,828	-	644,132
Net realized/unrealized gains on investments	1,046,043	4,891,465	-	5,937,508
Fees, charges, and miscellaneous	670,103	9,176	-	679,279
Net change in value of annuity and life insurance	-	893,447	43,835	937,282
Total revenues and gains	5,575,451	8,630,821	2,090,964	16,297,236
Board and donor designated transfers	(4,067)	(6,712)	10,779	-
Net assets released from program restrictions	8,128,797	(8,128,797)	-	-
Total revenues	13,700,181	495,312	2,101,743	16,297,236
EXPENSES				
Program support to Idaho State University				
Donations/transfers	2,764,353	-	-	2,764,353
Scholarships	1,041,106	-	-	1,041,106
Athletic	317,685	-	-	317,685
ISU department support	1,644,096	-	-	1,644,096
Support services				
Management and general	468,819	-	-	468,819
Fundraising	1,990,935	-	-	1,990,935
Total expenses	8,226,994	-	-	8,226,994
CHANGE IN NET ASSETS	5,473,187	495,312	2,101,743	8,070,242
NET ASSETS, beginning of year	(10,267,059)	16,127,084	27,948,304	33,808,329
NET ASSETS, end of year	$ (4,793,872)	$ 16,622,396	$ 30,050,047	$ 41,878,571

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Contributions and gifts	$ 3,422,840	$ 1,925,483	$ 1,632,330	$ 6,980,653
Contributed services	617,336	-	-	617,336
Interest and dividends	243,420	675,014	-	918,434
Net realized/unrealized gains/loss on investments	436,283	1,562,663	-	1,998,946
Fees, charges, and miscellaneous	677,436	-	-	677,436
Net change in value of annuity and life insurance	-	262,769	15,373	278,142
Total revenues and gains	5,397,315	4,425,929	1,647,703	11,470,947
Board and donor designated transfers	336,863	(320,109)	(16,754)	-
Net assets released from program restrictions	8,331,636	(8,331,636)	-	-
Total revenues	14,065,814	(4,225,816)	1,630,949	11,470,947
EXPENSES				
Program support to Idaho State University				
Donations/transfers	6,453,396	-	-	6,453,396
Scholarships	1,046,811	-	-	1,046,811
Athletic	280,483	-	-	280,483
Department support	1,856,561	-	-	1,856,561
Support services				
Management and general	929,337	-	-	929,337
Fundraising	1,013,796	-	-	1,013,796
Total expenses	11,580,384	-	-	11,580,384
CHANGE IN NET ASSETS	2,485,430	(4,225,816)	1,630,949	(109,437)
NET ASSETS, beginning of year	(12,752,489)	20,352,900	26,317,355	33,917,766
NET ASSETS, end of year	$ (10,267,059)	$ 16,127,084	$ 27,948,304	$ 33,808,329

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Student fees	$ 53,207,671	$ 50,069,170
Grants and contracts	32,609,310	30,022,009
Sales and services of educational activities	4,873,212	5,379,116
Sales and services from auxiliary enterprises	12,519,251	12,437,410
Other operating revenue	3,825,364	2,514,656
Collection on loans to students	405,447	531,456
Payments to and on behalf of employees	(128,159,792)	(130,463,238)
Payments to suppliers	(43,555,989)	(42,127,255)
Payments for scholarships and fellowships	(12,693,141)	(14,024,438)
Loans issued to students	(347,363)	(455,862)
Net cash used by operating activities	(77,316,030)	(86,116,976)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	75,596,855	79,101,114
Gifts	4,770,009	4,494,451
Title IV grants	28,499,455	23,522,731
Agency account receipts	19,360,495	65,859,565
Agency account payments	(21,094,332)	(66,164,858)
Direct lending receipts	77,351,376	78,416,464
Direct lending payments	(76,945,984)	(79,317,894)
Net cash provided by noncapital financing activities	107,537,874	105,911,573
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital gifts and grants	294,781	3,403,961
Capital Purchases	(10,670,641)	(12,414,974)
Transfer from Bond trustee	1,242,661	2,076,195
Principal paid on capital debt	(4,109,061)	(3,575,834)
Interest paid on capital debt	(3,561,713)	(3,730,962)
Net cash used by financing activities	(16,803,973)	(14,241,614)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	214,823	217,735
Net cash provided by investing activities	214,823	217,735
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,632,694	5,770,718
CASH AND CASH EQUIVALENTS--Beginning of year	62,597,060	56,826,342
CASH AND CASH EQUIVALENTS--End of year	$ 76,229,754	$ 62,597,060
RECONCILIATION OF NET OPERATING LOSS TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES		
Operating Loss	$ (93,263,964)	$ (98,594,579)
Adjustments to reconcile net operating loss to net cash used by operating activities		
Depreciation	11,462,198	10,832,307
Maintenance costs paid by Department of Public Works and other	2,710,159	2,022,568
Change in assets and liabilities		
Accounts receivable, net	(22,526)	(2,577,615)
Prepaid expenses	(339,739)	50,165
Student loans receivable, net	85,323	62,850
Inventory	(24,790)	27,325
Accounts payable and accrued liabilities	431,241	239,202
Accrued salaries and benefits payable	1,126,470	(162,191)
Deposits	27,157	(1,263)
Deferred revenue	492,441	1,984,255
Net cash used in operating activities	$ (77,316,030)	$ (86,116,976)
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Assets acquired from the Department of Public Works	$ 5,329,471	$ 2,543,419
Donated capital assets	$ 1,642,323	$ 235,131

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY COMPONENT UNIT

IDAHO STATE UNIVERSITY FOUNDATION
STATEMENT OF CASHFLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Change in net assets	$ 8,070,242	$ (109,437)
Adjustments to reconcile increase in net assets to net cash from (used by) operating activities		
Unrealized gain on investments	(5,133,360)	(2,661,545)
Realized gain on investments	(92,822)	-
Realized gain on sale of property held for sale and investment	(711,325)	-
Donated assets held for sale	(100,954)	(285,022)
Write down of property held for sale	-	662,599
Change in value of split interest agreements	(909,537)	(266,594)
Other	4,020	(874)
Amortization expense	23,791	21,338
Changes in assets and liabilites		
Obligations to beneficiaries	506,688	87,040
Payments to beneficiaries	(136,263)	(232,478)
Gift pledges receivable	141,726	355,417
Cash surrender value	(4,157)	(11,548)
Miscellaneous receivable	20,508	45,504
Accounts payable	951	(23,423)
Scholarships and other payables to ISU	(1,294)	787,018
Funds held for others	7,237	5,612
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,685,451	(1,626,393)
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Proceeds from sale of investments	3,033,000	74,771
Restricted cash	(115,673)	1,558,211
Purchase of investments	(703,290)	(828,984)
Proceeds from sale of land	1,138,270	67,657
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,352,307	871,655
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on bonds payable	(3,260,000)	(1,550,000)
NET CASH USED BY FINANCING ACTIVITIES	(3,260,000)	(1,550,000)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,777,758	(2,304,738)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	642,044	2,946,782
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,419,802	$ 642,044
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 20,301	$ 23,288
Pledge receivable reclassified as land held for sale	$ -	$ 346,400

See Accompanying Notes to Financial Statements

IDAHO STATE UNIVERSITY

Notes To Financial Statements
Years Ended June 30, 2011 And 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Idaho State University (the University) is part of the public system of higher education in the State of Idaho (the State). The system is considered part of the State of Idaho financial reporting entity. The State Board of Education (SBOE), appointed by the Governor and affirmed by the legislature, directs the system. The University is located in Pocatello, Idaho. Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

***Reporting Entity* –** The Idaho State University Foundation, Inc. (the Foundation) is considered a component unit of the University as defined by GASB Statement No 39, *Determining Whether Certain Organizations are Component Units*. As such, the Foundation is discretely presented for fiscal years ended June 30, 2011 and 2010. Additional detail and discussion related to the Foundation can be found in Note 13 of this report.

***Basis of Accounting* –** For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with the GASB. The University has elected not to apply FASB pronouncements issued after the applicable date.

***Cash Equivalents* –** The University considers all liquid investments with a remaining maturity of three months or less at the date of acquisition and all non-negotiable certificates of deposit to be cash equivalents.

Cash with Treasurer—Balances classified as Cash with Treasurer are amounts that are required to be remitted to the State of Idaho as a result of the student fee collection process and, once remitted, these balances are under the control of the State Treasurer. Interest accruing on the balance is maintained in a separate fund and must be appropriated by the legislature before any expenditure can occur.

***Student Loans Receivable* –** Loans receivable from students bear interest at rates ranging from 3.00% to 7.00% and are generally payable to the University in installments over a 5 to 10 year period, commencing 6 or 9 months after the date of separation from the University.

***Accounts Receivable* –** Accounts receivable consist of fees charged to students as well as auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Idaho. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Property, Plant and Equipment – Capital assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at date of the gift. The University's capitalization policy includes all items with a unit cost of $5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 12 to 25 years for land improvements, 10 years for library books, and 5 to 13 years for equipment.

In fiscal year 2010, in accordance with the requirements and definitions of GASB No. 51, *Accounting and Financial Reporting for Intangible Assets,* the University adopted a policy of capitalizing any intangible assets $200,000 or greater in value that have an expected useful life of three years or longer. The University adopted this policy in compliance with the State of Idaho guidelines related to the requirements of implementation for GASB No. 51.

The University houses collections at the Idaho Museum of Natural History that it does not capitalize. These collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. The University charges these collections to operations at the time of purchase, in accordance with generally accepted accounting principles.

Deferred Revenues – Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences – Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes. Amounts included in accrued salaries and benefits payable in the statement of net assets are $4,288,645 and $4,594,205 at June 30, 2011 and 2010, respectively.

Noncurrent Liabilities – Noncurrent liabilities include the principal portions of revenue bonds payable, notes payable with contractual maturities greater than one year, and the net amount of other post-employment benefits payable.

Net Assets – The University's net assets are classified as follows.

Invested in Capital Assets, Net of Related Debt – This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted, Expendable – Restricted expendable net assets include resources which the University is legally or contractually obligated to use in accordance with restrictions imposed by external third parties.

Unrestricted – Unrestricted net assets represent resources derived from student fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions related to the educational and general operations of the University, and may be used at the discretion of the institution to meet current expenses for any lawful purpose and in accordance with SBOE policy.

Income and Unrelated Business Income Taxes – The University, as a political subdivision of the State of Idaho, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The University is liable for tax on its unrelated business income. Defined by the Internal Revenue Code, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function. The University did not incur unrelated business income tax expense in the fiscal years ended June 30, 2011 or 2010.

Classification of Revenues – The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student fees net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

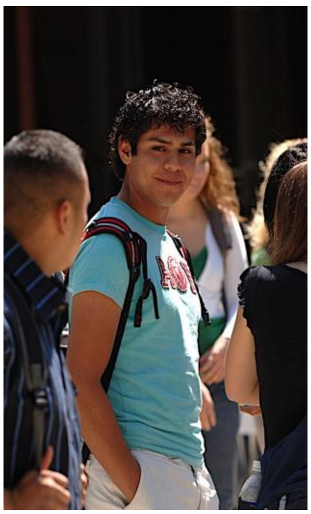
Nonoperating Revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as gifts and contributions, and other revenue resources defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances – Student fee revenues are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount paid by students and/or other third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy student fees and related charges, the University has recorded a scholarship discount and allowance.

Use of Accounting Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements, and revenues and expenses during the year. Actual results could differ from those estimates.

New Accounting Standards – The GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* in 2009. This statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer OPEB plans. The requirements of this statement are effective for the fiscal year ending June 30, 2012. Management has not yet determined the impact this standard will have on the University's financial statements.

The GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, in 2010. This statement provides accounting and financial reporting guidance for service concession arrangements. The requirements of this statement are effective for the fiscal year ending June 30, 2013. Management has not yet determined the impact this standard will have on the University's financial statements.



The GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus - and amendment of GASB Statements No. 14 and No. 34,* in 2010. This Statement will improve the information presented about the financial reporting entity. The requirements of this Statement are effective for the fiscal year ending June 30, 2013. Management has not yet determined the impact this standard will have on the University's financial statements.

The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements* in 2010. This Statement combines all previous applicable FASB and AICPA guidance into the GASB codification. The requirements of this Statement are effective for the fiscal year ending June 30, 2013. Management has not yet determined the impact these standards will have on the University's financial statements.

2. CASH WITH TREASURER, CASH AND CASH EQUIVALENTS, AND OTHER DEPOSITS

Cash with treasurer is under the control of the Idaho State Treasurer and is carried at cost. The University's deposits are maintained in commercial checking accounts which, as of June 30, 2011 and 2010, have unlimited coverage through the Federal Deposit Insurance Corporation (FDIC) under the Temporary Liquidity Guarantee Program, which provides full deposit insurance coverage for non-interest bearing deposit transaction accounts in institutions insured by the FDIC, regardless of dollar amount. After all debit and credit transactions have posted at the end of each business day, excess balances are automatically moved to the Automated Repurchase Investment Sweep account for overnight investment at competitive market rates to maximize the use of idle funds, including the cash float from outstanding checks. The investments in the sweep account consist of direct obligations or those that are fully guaranteed as to the principal and interest by the U.S. Government or its agencies and are collateralized at 100% of market value. At June 30, 2011 and June 30, 2010, total deposits consisted of the following:

	2011	2010
Cash	$ 596,717	$ 331,959
Non-negotiable certificates of deposit	749,293	749,293
Obligations of the U.S. Government and its agencies	47,850,000	46,814,047
Cash equity with the State Treasurer	29,760,707	16,698,819
Total deposits	$ 78,956,717	$ 64,594,118

There were no deposit amounts subject to custodial credit risk at June 30, 2011 and June 30, 2010.

At June 30, 2011 and June 30, 2010, the University had $100,997 and $90,882, respectively, of cash on hand in various change funds. The carrying amount of the University's cash and cash equivalents at June 30, 2011 and June 30, 2010, was $76,229,754 and $62,597,060, respectively. The net difference between deposits and the carrying amount of cash and cash equivalents is primarily a reflection of investment of the daily float.

3. ACCOUNTS RECEIVABLE AND DUE FROM STATE AGENCIES

Accounts receivable and due from state agencies consisted of the following at June 30:

	2011	2010
Accounts receivable	$ 14,568,082	$ 11,736,413
Due from state agencies	4,048,548	5,661,440
	18,616,630	17,397,853
Less allowance for doubtful accounts	(1,358,432)	(510,614)
Net accounts receivable and Due from state agencies	$ 17,258,198	$ 16,887,239

4. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the Program) comprise substantially all of the loans receivable at June 30, 2011 and 2010. Under this Program, the federal government provides approximately 75% of the funding for the Program, with the University providing the balance. The program provides cancellation provisions for borrowers engaging in teaching, public service, service in the military or law enforcement, as well as other disciplines. The Department of Education reimburses the University each year for the principal and interest canceled in its Perkins Loan Fund for all of the cancellation provisions except death, total and permanent disability, and bankruptcy. The University must deposit this reimbursement into its Perkins loan fund. In the event the University should withdraw from the Federal Perkins Loan Program or the government were to cancel the Program, the amount the University would be liable for as of June 30, 2011 and 2010, is $1,989,979 and $1,976,001, respectively.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2011 and 2010, the allowance for uncollectible loans was approximately $504,502 and $488,852, respectively.

In the spring of 2007, the University began participation in the Nursing Faculty Loan Program (NFLP), a federal loan program authorized under Title VIII of the Public Health Service Act, to increase the number of qualified nursing faculty. In the event the University should withdraw from the NFLP Program, or the government was to cancel the Program, the amount the University would be liable for as of June 30, 2011 and 2010, is $21,801 and $24,855. Loans receivable from students bear interest at rates ranging from 5.00% to

10.00% and are generally repayable in installments to the University over a 5 to 10 year period commencing 3 to 9 months after the date of separation from the University.

5. PROPERTY, PLANT AND EQUIPMENT

Following are the changes in property, plant and equipment for the years ended June 30:

	2010				2011		
	Balance at June 30, 2009	Additions	Retirements	Balance at June 30, 2010	Additions	Transfers & Retirements	Balance at June 30, 2011
Property, plant and equipment:							
Land	$ 4,064,973	$ -	$ -	$ 4,064,973	$ 947,580	$ -	$ 5,012,553
Construction in progress	10,154,168	5,385,561	(23,783)	15,515,946	1,175,053	(15,465,985)	1,225,014
Total property, plant and equipment not being depreciated	14,219,141	5,385,561	(23,783)	19,580,919	2,122,633	(15,465,985)	6,237,567
Other property, plant and equipment:							
Buildings and improvements	215,088,267	2,567,203	(307,761)	217,347,709	8,791,716	15,465,985	241,605,410
Intangibles	2,214,462	-	-	2,214,462	-	-	2,214,462
Furniture, fixtures and equipment	38,626,231	2,667,850	(220,309)	41,073,772	3,800,885	(3,084,805)	41,789,852
Library materials	43,096,624	2,642,718	-	45,739,342	2,368,753	-	48,108,095
Total other property, plant and equipment	299,025,584	7,877,771	(528,070)	306,375,285	14,961,354	12,381,180	333,717,819
Less accumulated depreciation and amortization:							
Buildings and improvements	(69,506,413)	(5,443,455)	-	(74,949,868)	(6,014,206)	-	(80,964,074)
Intangibles	(55,361)	(110,724)	-	(166,085)	(110,723)	-	(276,808)
Furniture, fixtures and equipment	(25,335,648)	(3,055,104)	220,309	(28,170,443)	(3,041,465)	2,995,358	(28,216,550)
Library materials	(32,694,437)	(2,223,025)	-	(34,917,462)	(2,295,804)	-	(37,213,266)
Total accumulated depreciation and amortization	(127,591,859)	(10,832,308)	220,309	(138,203,858)	(11,462,198)	2,995,358	(146,670,698)
Other property, plant and equipment net of accumulated depreciation	171,433,725	(2,954,537)	(307,761)	168,171,427	3,499,156	(89,447)	187,047,121
Property, Plant and Equipment Summary:							
Property, plant and equipment not being depreciated	14,219,141	5,385,561	(23,783)	19,580,919	2,122,633	(15,465,985)	6,237,567
Other property, plant and equipment at cost	299,025,584	7,877,771	(528,070)	306,375,285	14,961,354	12,381,180	333,717,819
Total property, plant and equipment	313,244,725	13,263,332	(551,853)	325,956,204	17,083,987	(3,084,805)	339,955,386
Less accumulated depreciation and amortization	(127,591,859)	(10,832,308)	220,309	(138,203,858)	(11,462,198)	2,995,358	(146,670,698)
Property, plant and equipment, net	$ 185,652,866	$ 2,431,024	$ (331,544)	$ 187,752,346	$ 5,621,789	$ (89,447)	$ 193,284,688

The Performing Arts Center was constructed by the Foundation with contributions and the proceeds from the Foundation's Multi-Mode Variable Rate Revenue Bond, issued in 2001. The facility was constructed on land leased by the Foundation from the University for $1 a year for a 20 year term. The land and improvements were, in turn, leased back to the University for $1 a year for 20 years, with a provision that title to the improvements transfers to the University at the earlier of the end of the lease or retirement of the bonds. A security interest in the land and improvements is held through a Deed

of Trust issued by the Foundation to Wells Fargo Bank, N.A. The excess of the fair value of the improvements (i.e., cost) over the gross rents payable by the University were recorded as an asset of the University in recognition of the permanent transfer of rights of use to the University for only nominal consideration.

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized or under construction at June 30, 2011, is approximately $1,100,401. These costs will be financed by available resources of Idaho State University and through General Refunding and Improvement Revenue Bond proceeds.

6. DEFERRED REVENUE

Deferred revenue consists of the following at June 30:

	2011	2010
Student Fees	$ 2,987,975	$ 2,588,321
Auxiliary enterprises	316,723	70,336
Grants and contracts	1,974,067	1,733,172
Other ticket sales	21,959	46,312
	$ 5,300,724	$ 4,438,141

7. NONCURRENT LIABILITIES

Notes and bonds payable at June 30 consisted of the following:

Description	Balance Outstanding 6/30/2009	Additions	Reductions	Balance Outstanding 6/30/2010	Additions	Reductions	Balance Outstanding 6/30/2011	Amounts Due Within One Year
Note payable to a bank, due in annual amounts varying from a maximum of $11,200 to $8,082 plus interest of 8.5% through 08/01/2011	$ 28,755	$ -	$ (8,769)	$ 19,986	$ -	$ (9,513)	$ 10,473	$ 10,473
Note payable to a financial institution due in annual amounts varying from a maximum of $209,629 to $200,270 plus interest of 2.64% through 10/13/2009	205,557	-	(205,557)	-	-			
Note payable to a financial institution due in semi-annual installments varying from maximum of $2,993,916 to $16,696 plus interest of 5.08% through 09/01/2016	5,706,496	-	(111,508)	5,594,988	-	(699,548)	4,895,440	846,933
Student Facilities Fee Revenue Bonds, Series 1998, (original balance of $12,400,000), consisting of serial and term bonds (either directly or through sinking funds) in annual amounts increasing periodically from $585,000 to a maximum of $920,000, plus interest from 4.875% to 5.00% through the year 2022. All bonds are collateralized by certain student fees and other revenues.	7,430,000	-	(765,000)	6,665,000	-	(800,000)	5,865,000	835,000
General Refunding and Improvement Revenue Bonds, Series 2003 (original balance of $35,895,000), consisting of serial bonds payable in annual amounts increasing periodically from $715,000 to a maximum of $3,115,000, plus interest from 3.00% to 5.00% through the year 2023. All bonds are collateralized by certain student fees and other revenues.	29,780,000	-	(1,315,000)	28,465,000	-	(1,385,000)	27,080,000	1,450,000
General Revenue Bonds, Series 2004A (original balance of $4,980,000), consisting of serial bonds payable in annual amounts increasing periodically from $210,000 to a maximum of $375,000, plus interest from 2.00% to 4.375% through the year 2023. All bonds are collateralized by certain student fees and other revenues.	4,120,000	-	(230,000)	3,890,000	-	(235,000)	3,655,000	245,000
General Revenue Bonds, Series 2004B (original balance of $3.305,000), consisting of serial and term bonds payable in annual amounts increasing periodically from $55,000 commencing in 2022 to a maximum of $345,000, plus interest from 4.50% to 4.75% through the year 2034. All bonds are collateralized by certain student fees and other revenues.	3,305,000	-		3,305,000	-		3,305,000	
General Revenue Bonds, Series 2004C (original balance of $2.305,000), consisting of term bonds payable in annual amounts increasing periodically from $95,000 to a maximum of $190,000, plus interest of 4.88% through the year 2022. All bonds are collateralized by certain student fees and other revenues.	1,910,000	-	(110,000)	1,800,000	-	(115,000)	1,685,000	125,000
General Revenue Bonds, Series 2006 (original balance of $10,000,000), consisting of term bonds payable in annual amounts increasing periodically from $320,000 to a maximum of $805,000, plus interest of 5.26% through the year 2028. All bonds are collateralized by certain student fees and other revenues.	10,000,000	-	(320,000)	9,680,000	-	(335,000)	9,345,000	355,000
General Revenue Bonds, Series 2007 (original balance of $16,120,000), consisting of term bonds payable in annual amounts increasing periodically from $270,000 to a maximum of $1,055,000, plus interest from 3.90% to 5.00% through the year 2032. All bonds are collateralized by certain student fees and other revenues.	15,360,000	-	(510,000)	14,850,000	-	(530,000)	14,320,000	555,000
	77,845,808	-	(3,575,834)	74,269,974	-	(4,109,061)	70,160,913	4,422,406
Original issue discount on Note payable	(1,630)	1,630	-	-	-	-	-	
Premium on bonds	1,301,077	-	(226,687)	1,074,390	-	(199,889)	874,501	
Discount on bonds	(261,446)	19,118	-	(242,328)	19,058	-	(223,270)	
Totals	$ 78,883,809	$ 20,748	$ (3,802,521)	$ 75,102,036	$ 19,058	$ (4,308,950)	$ 70,812,144	$ 4,422,406

There are a number of limitations and restrictions contained in the various bond indentures. Management believes there were no conditions of noncompliance with any terms or debt covenants.

Principal and interest maturities on notes and bonds payable in future periods for the year ending June 30, 2011, are as follows:

	Bonds		Notes	
	Principal	Interest	Principal	Interest
2012	$ 3,565,000	$ 3,125,048	$ 857,405	$ 238,945
2013	3,730,000	2,956,920	895,567	194,433
2014	3,905,000	2,777,994	941,639	148,361
2015	3,990,000	2,592,724	924,257	100,743
2016	4,185,000	2,401,616	946,488	53,512
2017-2021	23,090,000	8,780,107	340,557	8,650
2022-2026	15,855,000	3,479,660	-	-
2027-2031	5,520,000	954,106	-	-
2032-2034	1,415,000	114,886	-	-
	$ 65,255,000	$ 27,183,061	$ 4,905,913	$ 744,644

Pledged Revenue—As disclosed, the University currently has two bond issues outstanding: the Student Facilities Fee Revenue Bond (Series 1998) and the General Refunding and Improvement Revenue Bonds, which were issued pursuant to a Resolution adopted by the State Board of Education on September 17, 1992, providing for the issuance of revenue bonds (the "Original Resolution"). The Original Resolution provided for the issuance of an initial series of facility revenue bonds and authorized the issuance of additional series of revenue bonds pursuant to Supplemental Resolutions.

Currently outstanding issuances are Series 2003, 2004A, 2004B, 2004C, 2006, and 2007. The University has pledged certain revenues as collateral for these bonds. The pledged revenue amounts as of June 30 are as follows:

	2011		
	Student Facility Fee Revenue Bonds		
Pledged Revenues	**Series 1998**	**Series 2003, 2004C, 2004A, 2004B, 2006 and 2007**	**Total**
Matriculation fee	$ -	$ 42,600,426	$ 42,600,426
Student facilities fee	3,706,507	482,708	4,189,215
Revenue of student housing system	-	5,104,221	5,104,221
CAES lease payment	-	850,104	850,104
	$ 3,706,507	$ 49,037,459	$ 52,743,966
Debt Service	$ 1,123,710	$ 5,566,338	$ 6,690,048
Debt service coverage	330%	881%	788%
Coverage requirement	110%	110%	110%

Pledged Revenues	2010 Student Facility Fee Revenue Bonds Series 1998	 Series 2003, 2004C, 2004A, 2004B, 2006 and 2007	 Total
Matriculation fee	$ -	$ 37,433,993	$ 37,433,993
Student facilities fee	3,630,557	472,816	4,103,373
Revenue of student housing system	-	4,951,674	4,951,674
CAES lease payment	-	850,104	850,104
Investment income	-	10,864	10,864
	$ 3,630,557	$ 43,719,451	$ 47,350,008
Debt Service	$ 1,126,118	$ 5,558,496	$ 6,684,614
Debt service coverage	322%	787%	708%
Coverage requirement	110%	110%	110%

As indicated, the Student Facilities Fee is pledged for Series 1998, Series 2003, Series 2004A, Series 2004B, Series 2004C, Series 2006, and Series 2007 bonds. The Revenue of the Housing System is pledged for the Series 2003 bond and the Center for Advanced Energy Studies (CAES) lease payments are pledged for Series 2006 bonds.

8. ACCOUNTING FOR LEASES

The University is a lessor under a ground lease agreement with Portneuf Medical Center (lessee). The lease is for 20 years, expiring on August 11, 2012, with a renewal option for an additional 20 years, exercisable in the final year of the original lease term. The lease allows for the construction of a sports medicine facility (the Facility) on the premises, which was completed in September 1994. The lessee pays rent of $1 per year for the ground lease, payable on the date of the execution of the lease and annually thereafter on the anniversary date of such execution.

The University leases a weight/training room and associated common areas from Portneuf Medical Center (lessor). The lease term is 20 years, with a renewal option for an additional 20 years, exercisable if the lessor exercises its option to renew, as provided in the ground lease agreement. Rent for the weight/training room portion of the lease is $1 per year. Rent for shared use of the common areas is $14,000 per year. Rents for the initial term and optional lease term are payable on the date of the execution of the lease and annually thereafter on the anniversary date of such execution. Upon expiration of the lease term, the Facility shall become the property of the University.

ISU leases building and office facilities under various non-cancelable operating leases. Total costs for such leases were $306,017 and $512,463 for the years ended June 30, 2011 and 2010, respectively.

Future minimum lease payments at June 30, 2011 for all leases are as follows:

Fiscal Years	Payments
2012	$ 250,597
2013	239,540
2014	139,857
2015	13,355
Totals	$ 643,349

In 2006, Idaho State University (lessor) entered into a lease agreement with Battelle Energy Alliance, LLC (lessee) for facilities located in the newly constructed CAES facility. The lease commenced September 2009, and extends through March 5, 2028.

Future minimum rental income on this operating lease is as follows:

Fiscal Years	
2012	$ 850,104
2013	850,104
2014	850,104
2015	850,104
2016	850,104
2017-2028	9,988,722
Totals	$ 14,239,242

Battelle Energy Alliance, LLC makes all lease payments directly to the trustee. Rental income is restricted and is to be used solely for debt service on the 2006 Revenue bonds, the proceeds from which were used to construct the facility. As on June 30, 2011, the book value of the building is $16,827,981, which is net of accumulated depreciation in the amount of $872,868.

9. RETIREMENT PLANS AND TERMINATION PAYMENTS

***Public Employee Retirement System of Idaho* –** The Public Employee Retirement System of Idaho ("PERSI"), a cost-sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with

PERSI. The benefits and obligations to contribute to the plan were established, and may be amended by, the Idaho State Legislature. Financial reports for the plan are available from PERSI's website at www.persi.idaho.gov.

After 60 months of credited service, members become fully vested in retirement benefits earned to date and receive a lifetime benefit at retirement. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.00% of the average monthly salary for the highest consecutive 42 months.

Contributions for the three years ended June 30 are as follows:

	2011	2010	2009
University contributions required and paid	$ 2,565,255	$ 2,666,184	$ 2,862,506
Employee contributions	1,538,160	1,597,805	1,716,406
Total contributions	$ 4,103,415	$ 4,263,989	$ 4,578,912
University required contribution rate	10.39%	10.39%	10.39%
Employee contribution rate	6.23%	6.23%	6.23%

***Optional Retirement Plan* –** Effective July 1, 1990, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of the total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by, and may be amended by, the State of Idaho.

New faculty and exempt employees hired on or after July 1, 1990, automatically enroll in the ORP and select a vendor option. Faculty and exempt employees hired before July 1, 1990, had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options in the ORP include the *Teachers Insurance and Annuity Association - College Retirement Equities Fund* and the *Variable Annuity Life Insurance Company*.

Participants are immediately fully vested in the ORP. Retirement benefits are available as either a lump sum or any portion thereof upon attaining 55 years of age.

Contributions required and paid are as follows:

	2011	2010	2009
University contributions required and paid	$ 5,430,019	$ 5,463,978	$ 5,536,217
Employee contributions	4,082,768	4,108,157	4,164,171
Total Contribution	$ 9,512,787	$ 9,572,135	$ 9,700,388
University required contribution rate	9.30%	9.30%	9.30%
Employee contribution rate	6.96%	6.96%	6.97%

Although enrollees in the ORP no longer belong to PERSI, the University is required to contribute a percentage of the annual covered payroll to PERSI. Effective July 1, 2007, the percentage was changed from 3.03% to 1.49%, allowing the difference of 1.54% to be used to increase the University's contribution to ORP retirement accounts. In addition, the payoff period of the unfunded liability obligation was extended from July 1, 2015, to July 1, 2025. During the years ended June 30, 2011 and 2010, supplemental funding payments to PERSI were $874,510 and $879,094, respectively. These amounts are not included in the regular University PERSI contribution discussed previously.

Termination Payments – Employees who qualify for retirement under PERSI or ORP are eligible to use 50% of the cash value of their unused sick leave to continue their medical insurance coverage through the University. The University partially funds these obligations by depositing 0.65% of employee gross payroll to PERSI, who administers the plan for all participating ISU employees and retirees under a trust fund. The total contributions for the years ended June 30, 2011 and 2010, were $541,976 and $549,987, respectively.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Plans

The University participates in other postemployment benefit plans relating to health and disability administered by the State of Idaho as agent multiple-employer defined benefit plans. The life insurance benefit is a single-employer defined benefit plan. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establish the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. The most recent actuarial valuation is as of June 30, 2010. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained as follows:

Office of the Idaho State Controller
700 W State Street, 4th Floor
P.O. Box 83720
Boise, ID 83720-0011
www.sco.idaho.gov

Plan Descriptions and Funding Policy

Retiree Healthcare Plan – A retired employee of the University who is eligible to retire under the Public Employee Retirement System of Idaho (PERSI) may elect to purchase the retiree health insurance coverage for themselves and eligible dependents. Employees must enroll within 60 days of the date of their retirement. Additionally, the unreduced PERSI monthly benefit at the time of retirement must meet or exceed the monthly cost of single retiree health insurance coverage, or employees must have 10 or more years (20,800 or more hours) of credited state service. An employee must have been an active employee on or before June 30, 2009, and must retire directly from State service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The maximum benefit is $1,860 per retiree per year. The University contributed $16.44 per active employee per month towards the retiree premium cost.

Long-Term Disability Plan – Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70% of their monthly salary for the first 30 months of disability. If after 30 months, the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training; and unable to earn more than 60% of their monthly salary, the employee is considered totally disabled. To qualify for long-term disability benefits, the waiting period of the greater of 26 weeks of continuous total disability or the exhaustion of the employee's accrued sick leave must be met.

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60% of monthly pre-disability salary or $4,000, whichever is less. The benefit does not increase with inflation and may be offset by other sources of income, such as Social Security, worker's compensation, unemployment benefits, and certain retirement benefits. The State of Idaho is self-insured for employees who became disabled prior to July 1, 2003; the state pays 100% of the cost of this benefit. The amount of the contribution is based on active claims and the number of insured individuals.

Employees disabled after July 1, 2003, are insured by Principal Life Insurance Company and the obligation for the payment of benefits has been effectively transferred. The University pays 100% of the cost of the premiums. The University's contribution for the period was 0.324% of payroll in fiscal year 2011. This portion of the long-term disability income benefit is not included in the actuarial estimate.

For up to 30 months following the date of disability, an employee is entitled to continue healthcare coverage under the state plan. The University pays 100% of the University's share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled. The University's contribution for the period was $6.96 per active employee per month in fiscal year 2011.

This plan also provides basic life insurance and dependent life coverage to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100% of annual salary, but not less than $20,000. In addition, a $2,000 life insurance benefit is provided for spouses, and a $1,000 life insurance benefit is provided for dependent children. These benefits do not increase with inflation. The University pays 100% of the premiums; the contribution is actuarially determined based on actual claims experience.

Retiree Life Insurance Plan – This plan provides basic life insurance for certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100% of their annual salary at retirement. The University pays 100% of the cost of basic life insurance for eligible retirees. The University's contribution for the period as a percent of payroll was 1.177% for retirees under 65 years of age, 0.0894% for retirees between the ages of 65 and 69, and 0.0600% for retirees over age 70.

Annual OPEB Cost

The Annual OPEB Cost (AOC) is actuarially determined based on the Annual Required Contribution (ARC) of the employer in accordance with GASB Statement Nos. 43 and 45. The following tables illustrate the annual OPEB cost, the amount of the contributions made, the increase (decrease) in the net OPEB obligation (NOO), and the NOO (funding excess) for the years ended June 30, 2011 and 2010.

Annual OPEB Cost and Net OPEB Obligation 2011
(dollars in thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Income	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Life Insurance Plan	Total
Annual Required Contributions	$402	$83	$132	$77	$913	$1,607
Interest	113	(2)	6	0	78	195
Adjustment to ARC	(169)	3	(9)	0	(116)	(291)
Total Annual OPEB Cost	346	84	129	77	875	$1,511
Contributions Made	(155)	(76)	(110)	(115)	(148)	(604)
Increase (Decrease) in NOO	191	8	19	(38)	727	907
NOO – Beginning of Year	2,473	(39)	138	(9)	1,890	4,453
NOO (Funding Excess) – End of Year	$2,664	($31)	$157	($47)	$2,617	$5,360

Annual OPEB Cost and Net OPEB Obligation 2010
(dollars in thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan Income	Long-Term Disability Plan Healthcare	Long-Term Disability Plan Life Insurance	Retiree Life Insurance Plan	Total
Annual Required Contributions	$298	$86	$157	$68	$881	$1,490
Interest	108	(3)	3	(0)	56	164
Adjustment to ARC	(145)	4	(4)	0	(75)	(220)
Total Annual OPEB Cost	261	87	156	68	862	$1,434
Contributions Made	(153)	(69)	(87)	(73)	(223)	(605)
Increase (Decrease) in NOO	108	18	69	(5)	639	829
NOO – Beginning of Year	2,365	(57)	69	(4)	1,251	3,624
NOO (Funding Excess) – End of Year	$2,473	($39)	$138	($9)	$1,890	$4,453

Annual OPEB Cost Comparison

The following table compares the OPEB cost, the percentage of annual OPEB cost contributed, and the net OPEB obligation (funding excess) for the current and prior year.

Annual OPEB Cost and Net OPEB Obligation (NOO) Comparison
(dollars in thousands)

		Retiree Healthcare Plan	Long-Term Disability Plan: Healthcare	Long-Term Disability Plan: Life Insurance	Long-Term Disability Plan: Income	Retiree Life Insurance Plan	Total
Annual OPEB Cost	2009	$294	$161	$72	$92	$832	$1,451
	2010	261	156	68	87	862	1,434
	2011	346	129	77	84	875	1,511
Percentage of AOC Contributed	2009	111.02%	96.06%	147.37%	96.03%	24.89%	60.76%
	2010	58.79%	56.65%	107.47%	79.71%	25.89%	42.23%
	2011	44.80%	85.27%	149.35%	90.48%	16.91%	39.97%
NOO (Funding Excess) – End of Year	2009	$2,365	$69	($4)	($57)	$1,251	$3,624
	2010	2,472	139	(9)	(39)	1,890	4,453
	2011	2,664	157	(47)	(31)	2,617	5,360

Funded Status and Funding Progress **-** The following table illustrates the funded status and the funding progress for the University (dollars in thousands):

Funded Status and Funding Progress
(dollars in thousands)

	Retiree Healthcare Plan	Long-Term Disability Plan: Income	Long-Term Disability Plan: Healthcare	Long-Term Disability Plan: Life Insurance	Retiree Life Insurance Plan
Actuarial Valuation Date	7/1/2010	7/1/2010	7/1/2010	7/1/2010	7/1/2010
Actuarial Value of Assets	$0	$0	$0	$0	$0
Accrued Liability (AAL)	2,417	558	876	974	11,362
Unfunded AAL (UAAL) (2) - (1)	2,417	558	876	974	11,362
Funded Ratios (1) : (2)	0.0%	0.0%	0.0%	0.0%	0.0%
Annual Covered Payroll	$83,360	$83,360	$83,360	$83,360	$83,360
UAAL as a Percentage of Covered Payroll (3) : (5)	2.90%	0.67%	1.05%	1.17%	13.63%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary contains multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the

pattern of sharing costs between the employer and plan members. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the benefits. The projection of benefits for financial reporting purposes does not incorporate the potential effects of legal funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The following table presents the significant methods and assumptions for all plans.

Significant Methods and Actuarial Assumptions

	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan
		Healthcare	Life Insurance	Income	
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Dollar Amount	Level Percentage of Payroll
Amortization Period	11 years, Closed	30 years, Open	30 years, Open	8 years, Closed	30 years, Open
Assumptions:					
Inflation Rate	3.0%	3.0%	3.0%	3.0%	3.0%
Investment Return	4.00%	4.00%	4.00%	4.00%	4.00%
OPEB Increases	N/A	N/A	N/A	N/A	N/A
Projected Salary Increases	3.50%	3.50%	3.50%	3.50%	3.50%
Healthcare Cost Initial Trend Rate	10.00%	10.00%	N/A	N/A	N/A
Healthcare Cost Ultimate Trend Rate	5.00%	5.00%	N/A	N/A	N/A

Required Supplementary Information

Schedule of Funding Progress *(dollars in thousands):*

OPEB Plan	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1) : (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) : (5)
Retiree Healthcare	7/1/2006	$0	$33,223	$33,223	0.0%	$86,470	38.42%
	7/1/2008	$0	$2,228	$2,228	0.0%	$84,670	2.63%
	7/1/2010	$0	$2,417	$2,417	0.0%	$83,360	2.90%
Long-Term Disability:							
Life Insurance	7/1/2006	$0	$999	$999	0.0%	$86,470	1.16%
	7/1/2008	$0	$1,029	$1,029	0.0%	$84,670	1.21%
	7/1/2010	$0	$974	$974	0.0%	$83,360	1.17%
Healthcare	7/1/2006	$0	$941	$941	0.0%	$86,470	1.09%
	7/1/2008	$0	$860	$860	0.0%	$84,670	1.02%
	7/1/2010	$0	$876	$876	0.0%	$83,360	1.05%
Income	7/1/2006	$0	$600	$600	0.0%	$86,470	0.69%
	7/1/2008	$0	$599	$599	0.0%	$84,670	0.71%
	7/1/2010	$0	$558	$558	0.0%	$83,360	0.67%
Retiree Life Insurance	7/1/2006	$0	$8,587	$8,587	0.0%	$86,470	9.93%
	7/1/2008	$0	$9,753	$9,753	0.0%	$84,670	11.52%
	7/1/2010	$0	$11,362	$11,362	0.0%	$83,360	13.63%

Effective July 1, 2009, legislative changes to the Retiree Healthcare Plan regarding eligibility stipulate that an officer or employee must be an active employee on or before June 30, 2009, and retire directly from State service; the maximum benefit is $1,860 per retiree per year. Additionally, any retiree will remain eligible until they are eligible for Medicare. Beginning January 1, 2010, coverage was not available to Medicare-eligible retirees or their Medicare-eligible dependents.

Schedule of Employer Contributions *(dollars in thousands):*

OPEB Plan	Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions	Actual Contributions as Percentage of ARC
Life Insurance	06/30/09	$832	$207	24.88%
	06/30/10	$862	$223	25.87%
	06/30/11	$875	$148	16.91%

11. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION

2011

	Personnel Costs	Services	Supplies	Insurance, Utilities and Rent	Scholarships and Fellowships	Depreciation	Miscellaneous	Operating Expenses Totals
Instruction	$ 69,988,650	$ 5,742,119	$ 3,917,682	$ 243,132	$ -	$ -	$ 1,039,542	$ 80,931,125
Research	11,948,816	3,550,068	1,801,218	137,351	-	-	654,887	18,092,340
Public services	3,291,391	384,309	191,313	100,716	-	-	97,212	4,064,941
Academic support	7,617,260	1,575,314	1,641,316	6,733	-	-	184,891	11,025,514
Libraries	2,139,742	152,868	95,091	-	-	-	12,374	2,400,075
Student services	6,763,393	778,588	436,304	40,317	-	-	250,861	8,269,463
Institutional support	12,728,825	2,564,283	1,416,377	85,245	-	-	825,592	17,620,322
Maintenance and operations	5,624,328	2,880,317	1,568,498	3,955,249	-	-	(567)	14,027,825
Auxiliary enterprises	10,354,595	5,445,464	2,189,790	2,091,517	-	-	1,665,393	21,746,759
Scholarships and fellowships	-	-	-	-	20,084,127	-	-	20,084,127
Depreciation	-	-	-	-	-	11,462,198	-	11,462,198
Total expenses	$ 130,457,000	$ 23,073,330	$ 13,257,589	$ 6,660,260	$ 20,084,127	$ 11,462,198	$ 4,730,185	$ 209,724,689

2010

	Personnel Costs	Services	Supplies	Insurance, Utilities and Rent	Scholarships and Fellowships	Depreciation	Miscellaneous	Operating Expenses Totals
Instruction	$ 71,685,567	$ 5,428,243	$ 3,300,327	$ 211,328	$ -	$ -	$ 888,124	$ 81,513,589
Research	12,324,484	2,780,309	1,558,916	184,649	-	-	546,252	17,394,610
Public services	3,369,945	342,517	352,930	105,853	-	-	120,172	4,291,417
Academic support	8,256,116	1,559,786	1,195,964	28,190	-	-	311,034	11,351,090
Libraries	2,325,247	114,890	70,325	-	-	-	11,999	2,522,461
Student services	6,489,784	550,471	214,551	17,125	-	-	171,191	7,443,122
Institutional support	13,011,417	2,995,627	1,057,630	145,072	-	-	317,098	17,526,844
Maintenance and operations	5,574,623	2,529,755	1,192,941	4,257,773	-	-	17,218	13,572,310
Auxiliary enterprises	10,335,189	4,944,440	2,256,783	2,222,339	-	-	1,549,955	21,308,706
Scholarships and fellowships	-	-	-	-	20,067,882	-	200	20,068,082
Depreciation	-	-	-	-	-	10,832,307	-	10,832,307
Total expenses	$ 133,372,372	$ 21,246,038	$ 11,200,367	$ 7,172,329	$ 20,067,882	$ 10,832,307	$ 3,933,243	$ 207,824,538

12. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the federal government. University officials are of the opinion that the effect of these refunds, if any, will not have a significant effect on the financial position of the University.

The University is a defendant in litigation arising from the normal course of operations. Based on present knowledge, the University's administration believes any ultimate liability in these matters will not materially affect the financial position of the University.

13. RISK MANAGEMENT

The University participates in the State of Idaho Risk Management Program, which manages property and general liability risk. That program provides liability (cap) protection to $500,000 per occurrence. Insurance premium payments are made to the state risk management program based on rates determined by a state agency's loss trend experience and asset value covered. Presently, Idaho State University's total insured property value is $823,569,521.

The University obtains worker's compensation coverage from the Idaho State Insurance Fund. The University's worker's compensation premiums are based on its payroll, its own loss experience, as well as that of the State of Idaho as a whole.

The University carries commercial insurance for other risks of loss, including but not limited to employee bonds and crime, out of state worker's compensation, business interruption, media liability and automobile physical damage insurance.

14. COMPONENT UNIT DISCLOSURE

The Foundation is discretely presented within the financial statements as a component unit.

The Foundation has adopted a policy of preparing its financial statements based upon generally accepted accounting principles in accordance with standards issued by the Financial Accounting Standards Board. The information disclosed hereafter is related to Foundation items that are determined to be significant to the reporting entity as a whole, but is not wholly inclusive. Separate, audited financial statements are prepared for the Foundation and may be obtained in their entirety by contacting the Idaho State University Foundation, 921 S. 8th Ave, Stop 8050, Pocatello, ID 83209-8050.

Foundation Operations

The Foundation was established in March 1967 to provide support for the private fundraising efforts of the University and to manage privately donated funds. The Foundation is a not-for-profit corporation incorporated in accordance with the laws of the State of Idaho and managed by a volunteer Board of Trustees. Under the Idaho State Board of Education's administrative rules, the Foundation must be independent of, and cannot be controlled by, the University. A memorandum of understanding between the Foundation and the University defines the relationship between the two entities in accordance to the State Board of Education's rules.

Basis of Accounting

The Foundation financial statements included in this report have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, whereby revenue is recorded when earned and expenses are recorded when materials or services are received. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that they be maintained permanently by the Foundation.

Investments

Investments are recorded in accordance with FASB Accounting Standards Codification Topic (ASC) ASC 958-320 *Investments – Debt and Equity Securities Held by Not-for-Profit Organizations*. Investments in equity and debt securities that have readily determinable fair values are recorded at quoted market prices. Investment securities without quoted market prices are valued at estimated fair value using appropriate valuation methods that consider the underlying assets and financial reports.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect account balances and the amounts reported in the accompanying financial statements.

Pledges Receivable

Unconditional promises to give (pledges) are recognized as an asset and contribution revenue in the period the promise is received. Pledges to be received after one year are discounted at rates commensurate with risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

Obligations under Split Interest Agreements

The Foundation administers such life income agreements as charitable remainder trusts where an income beneficiary is the lifetime recipient of income and the Foundation is the remainder beneficiary. Upon receipt of the gift, a liability is established for the estimated net present value of the lifetime recipient's interest using applicable mortality tables and a discount rate commensurate with the risks involved. A contribution is recognized for the estimated remainder interest.

Fair Value Measurements

The Foundation has determined the fair value of certain assets and liabilities in accordance with the provisions of ASC 820-10, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles.

Capitalized Bond Issuance Costs

Capitalized bond issuance costs consist of legal costs, underwriting fees, printing and other costs incurred to obtain, secure and rate the multi-mode variable rate revenue bonds issued for the construction of the L.E. and Thelma Stephens Performing Arts Center on May 30, 2001. The issuance costs for the bonds have an original cost of $570,000 at May 30, 2001, and are amortized over the term of the bonds, using the effective interest rate method. Accumulated amortization of these bond costs at the end of June 30, 2011 and 2010 were $404,846 and $381,055, respectively.

Fair Value of Assets and Liabilities

The fair value option was chosen to measure pledges and annuities in order to mitigate volatility in reported changes in net assets. Assets and liabilities measured at fair value on a recurring basis at June 30, 2011 and 2010 are shown below.

	2011	2010
Investment securities		
Mutual funds	$ 2,079,143	$ 1,591,289
Fixed income investments	264,451	285,023
Co-mingled and pooled marketable investment funds	36,591,760	34,419,059
Hedge Funds	2,115,646	1,462,350
Total assets	$41,051,000	$37,757,721

Assets and liabilities measured at fair value on a nonrecurring basis at June 30, 2011 and 2010 are as follows.

	2011	2010
Gift pledges receivable	$ 44,458	$ 3,768,157
Property held for sale and investments	125,000	821,401
Total assets	$ 169,458	$ 4,589,558

The related fair value of these assets and liabilities as of June 30, 2011, is determined as follows.

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds				
Index fund	$ 2,079,143	$ -	$ -	$ 2,079,143
Fixed income investments	124,460	139,991	-	264,451
Co-mingled and pooled marketable investment funds	-	36,591,760	-	36,591,760
Hedge funds	-	-	2,115,646	2,115,646
	$ 2,203,603	$ 36,731,751	$ 2,115,646	$ 41,051,000

The related fair value of these assets and liabilities as of June 30, 2010, are determined as follows.

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level	Significant Unobservable Inputs (Level 3)	Total
Mutual funds				
Index fund	$ 1,591,289	$ -	$ -	$ 1,591,289
Fixed income investments	156,434	128,589	-	285,023
Co-mingled and pooled marketable investment funds	-	34,419,059	-	34,419,059
Hedge funds	-	-	1,462,350	1,462,350
	$ 1,747,723	$ 34,547,648	$ 1,462,350	$ 37,757,721

The fair value for mutual fund investments is determined based on quoted market prices. For fixed income investments, fair value is determined based on the value of the underlying investments. For co-mingled and pooled marketable investment funds, fair value is obtained by using the net asset value of the underlying investments. At this level, the underlying assets have a direct market reference price that is traceable. For hedge funds, fair value is determined with independent, third part valuations occurring monthly to every six months,

depending upon the investment type. Property held for sale and investments are valued based on property sold that had a similar use, size, and location as the property held by the Foundation. The value of pledges receivable is determined at the present value of expected future cash flows and is fair valued at the time of the gift. In subsequent years, the value is amortized over the life of the pledge.

Assets measured at fair value on a recurring and nonrecurring basis using significant unobservable inputs (level 3) for the year ended June 30, 2011, are shown below.

	Hedge Funds
Beginning balance	$ 1,462,350
Total unrealized gains and losses included in earnings (or changes in net assets)	109,283
Calls	544,013
Ending balance	$ 2,115,646

Assets measured at fair value on a recurring and nonrecurring basis using significant unobservable inputs (level 3) for the year ended June 30, 2010, are as follows.

	Hedge Funds
Beginning balance	$ 2,438,978
Total unrealized gains and losses included in earnings (or changes in net assets)	(998,061)
Calls	21,433
Ending balance	$ 1,462,350

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2012 Bonds, Ballard Spahr LLP, Bond Counsel to the University, proposes to issue its opinion in substantially the following form:

We have acted as bond counsel to Idaho State University (the "University") in connection with the issuance by the University of its General Revenue Refunding Bonds, Series 2012 in the aggregate principal amount of $__________ (the "Series 2012 Bonds"). The Series 2012 Bonds are being issued pursuant to (i) Title 33, Chapter 38, and Section 57-504 of the Idaho Code, as amended; and (ii) a Resolution, adopted by the Board of Trustees of the University (the "Board") on September 17, 1992 and restated by the Board on August 12, 2004, as heretofore supplemented and amended and as further supplemented and amended by a supplemental resolution of the Board adopted on _______________, 2012 (collectively, the "Resolution"). The Series 2012 Bonds are being issued for the purpose of (i) refunding certain outstanding bonds of the University, and (ii) paying costs of issuance of the Series 2012 Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Resolution.

Our services as bond counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Series 2012 Bonds under the applicable laws of the State of Idaho and to a review of the transcript of such proceedings and certificates. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing laws as follows:

1. The Resolution has been duly adopted by the University and constitutes a valid and binding obligation of the University enforceable upon the University.

2. The Resolution creates a valid lien on the amounts pledged thereunder for the security of the Series 2012 Bonds.

3. The Series 2012 Bonds are valid and binding limited obligations of the University, payable solely from the Pledged Revenues and other amounts pledged therefor under the Resolution.

4. Interest on the Series 2012 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Series 2012 Bonds, assuming the accuracy of the certifications of the University and continuing compliance by the University with the requirements of the Internal Revenue Code of 1986. Interest on the Series 2012 Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax ("AMT"); however, interest on Series 2012 Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder.

5. Interest on the Series 2012 Bonds is exempt from State of Idaho income taxes.

In rendering our opinion, we wish to advise you that:

(a) The rights of the Owners of the Series 2012 Bonds and the enforceability thereof and of the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(b) We express no opinion herein as to the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Series 2012 Bonds; and

(c) Except as set forth above, we express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2012 Bonds.

Respectfully Submitted,

APPENDIX F

PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Series 2012 Bonds. The Series 2012 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Series 2012 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2012 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2012 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2012 Bonds, except in the event that use of the book-entry system for the Series 2012 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2012 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2012 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2012 Bonds may wish to ascertain that the nominee holding the Series 2012 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2012 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2012 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2012 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2012 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the University or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2012 Bonds at any time by giving reasonable notice to the University or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Idaho State University (the "Issuer"), in connection with the issuance by the Issuer of its $__________ General Revenue Refunding Bonds, Series 2012 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the Issuer on September 17, 1992, as supplemented, amended and restated, and a Supplemental Resolution adopted June _____, 2012 (collectively, the "Resolution"), which provides for the issuance of the Bonds and names U.S. Bank National Association, as trustee (the "Trustee").

The Issuer hereby acknowledges that it is an "obligated person" within the meaning of the hereinafter defined Rule and the only "obligated person" with respect to the Bonds. In connection with the aforementioned transactions, the Issuer and the Trustee covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Trustee for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (each as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report of the Issuer" means the Annual Report of the Issuer provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

"EMMA" means the MSRB's Electronic Municipal Market Access System ("EMMA") at http://emma.msrb.org, or such other nationally recognized municipal securities information repository recognized by the Securities Exchange Commission from time to time pursuant to Rule 15c2-12.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board, the address of which is currently 1900 Duke Street, Suite 600, Alexandria, Virginia 22314; Telephone (703) 797-6600; Fax (703) 797-6700; and the Internet address of which is www.msrb.org.

"Official Statement" shall mean the Official Statement of the Issuer dated ___________, 2012, relating to the Bonds.

"Participating Underwriter" shall mean each broker, dealer, or municipal securities dealer acting as un underwriter in the primary offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Issuer shall prepare an Annual Report of the Issuer and shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of each fiscal year of the Issuer (presently June 30), commencing with the fiscal year ended June 30, 2012, provide to the MSRB, the Annual Report of the Issuer which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report of the Issuer to the Dissemination Agent. In each case, the Annual Report of the Issuer may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(f).

(b) If by fifteen (15) Business Days prior to the date specified in Section 3(a) for providing the Annual Report of the Issuer to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the Issuer, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with Section 3(a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the Issuer has been provided to the MSRB by the dates required in Section 3(a), the Dissemination Agent shall, in a timely manner, send a notice of a failure to file the Annual Report to the MSRB in an electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report of the Issuer, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) file reports with the Issuer, as appropriate, certifying that their Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. The Annual Report of the Issuer shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accountants. If the Issuer's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the Issuer and audited financial statements will be provided when and if available.

(b) An update of the financial and operating information in the Official Statement relating to the Issuer of the type contained in "SECURITY FOR THE SERIES 2012 BONDS," "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE," "SOURCES OF FUNDING FOR THE UNIVERSITY," and "APPENDIX C—STUDENT FEE AND TUITION SCHEDULE" and, in the event the Bonds are called, the financial data contained in "DEBT SERVICE SCHEDULE" of the Issuer's Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including Official Statements of debt issues of the Issuer, as appropriate or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final Official Statement, it must be available from the MSRB. The Issuer, as appropriate, shall clearly identify each such other document so incorporated by the reference.

The Issuer hereby covenants that it will disseminate, or cause to be disseminated, its Annual Reports to the MSRB in such manner and format and accompanied by identifying information as prescribed by the MSRB or the

Securities Exchange Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the Issuer shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but not more than ten (10) Business Days after the Listed Event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the security;

(vi) Defeasances;

(vii) Tender offers;

(viii) Bankruptcy, insolvency, receivership or similar proceedings;[*] or

(ix) Rating changes.

(b) Pursuant to the provisions of this Section 5(b), the Issuer shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

(i) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(ii) Appointment of a successor or additional trustee or the change of the name of a trustee;

[*] For the purposes of the event identified in paragraph (a)(viii) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(iii) Non-payment related defaults;

(iv) Modifications to the rights of the owners of the Bonds;

(v) Bond calls; or

(vi) Release, substitution or sale of property securing repayment of the Bonds.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event under Section 5(b), whether because of a notice from the Trustee or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the Issuer determines that the Listed Event under Section 5(b) would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in an electronic format in a timely manner not more than ten (10) Business Days after the Listed Event.

The Issuer hereby covenants that it will disseminate, or cause to be disseminated, its Listed Events information to the MSRB in a timely manner (not in excess of ten (10) Business Days after occurrence of the Listed Event) to the MSRB in such manner as prescribed by the MSRB or the Securities Exchange Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Issuer hereby appoints the Trustee as Dissemination Agent under this Disclosure Agreement.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (as defined in the Rule) with respect to the Bonds, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report of the Issuer, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an “event of default” under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: ___________, 2012.

IDAHO STATE UNIVERSITY
By:____
Vice President for Finance and Administration

U.S. BANK NATIONAL ASSOCIATION
By:____
Its:____

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THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY

Supplemental Resolution
Authorizing the Issuance and Sale of
$__________
General Revenue Refunding Bonds,
Series 2012
of
The Board of Trustees of Idaho State University

Adopted June 20, 2012

Table of Contents

SUPPLEMENTAL RESOLUTION

A SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of $__________ General Revenue Refunding Bonds, Series 2012 of the Board of Trustees of Idaho State University; making certain findings under Title 33, Chapter 38 and Title 57, Chapter 5 of the Idaho Code, and by the Resolution for the issuance of additional bonds; setting forth the issue date, interest payment dates, interest rates, maturity dates, maturity amounts and redemption amounts of the Series 2012 Bonds; authorizing the execution and delivery of a bond purchase agreement, an escrow agreement and other related documents; and providing for other matters relating to the Series 2012 Bonds.

WHEREAS, Idaho State University (the "University") is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the Constitution and laws of the State of Idaho; and

WHEREAS, the Board of Trustees of the University (the "Board") is authorized, pursuant to the Educational Institutions Act of 1935, the same being Title 33, Chapter 38, Idaho Code (the "Act"), and the Constitution of the State of Idaho, to issue bonds for "projects" as defined in said Act; and

WHEREAS, on September 17, 1992, the Board adopted a Resolution (the "1992 Resolution") relating to the issuance and sale of $10,000,000 Student Facilities Fee Revenue Bonds, Series 1992 (the "Series 1992 Bonds"), and providing among other things for the issuance of additional Student Facilities Fee Revenue Bonds for future projects ("Additional Bonds"); and

WHEREAS, the University is authorized under the provisions of Article VII of the Resolution to issue Additional Bonds for refunding purposes upon compliance with the requirements of Section 7.3 of the Resolution; and

WHEREAS, pursuant to Supplemental Resolutions which have amended and supplemented the 1992 Resolution, the Board has authorized the issuance of the University's (i) Student Facilities Fee Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), (ii) Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998 (the "Series 1998 Bonds"), (iii) General Refunding and Improvement Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), (iv) General Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), (v) General Revenue Bonds, Series 2004B (the "Series 2004B Bonds"), (vi) General Revenue Bonds (Taxable), Series 2004C (the "Series 2004C Bonds"), (vii) General System Revenue Bonds (Federally Taxable), Series 2006 (the "Series 2006 Bonds") and (viii) General Revenue Bonds, Series 2007 (the "Series 2007 Bonds"); and

WHEREAS, the Board has determined that the Series 1998 Bonds and certain of the Series 2003 Bonds, Series 2004A Bonds and Series 2004B Bonds, all as more fully described herein (collectively, the "Refunded Bonds") can be refunded in accordance with the Act to achieve a debt service savings that the Board finds to be beneficial to the University in accordance with Section 57-504 Idaho Code; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

(a) Except as provided in subparagraph (b) of this Section 1.1, all defined terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

"Bond Purchase Agreement" means the Bond Purchase Agreement dated ________________, 2012, between the Board and the Underwriter pursuant to which the Series 2012 Bonds are to be sold.

"Bond Register" means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Series 2012 Bonds.

"Book-Entry System" means the book-entry system of registration of the Series 2012 Bonds described in Section 2.10 of this Supplemental Resolution.

"Cede & Co." means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Escrow Account" means the account established under the Escrow Agreement.

"Escrow Agent" shall mean U.S. Bank National Association, or its successor in function, as now or hereafter designated, which shall supervise the Escrow Account pursuant to the Escrow Agreement.

"Escrow Agreement" means the agreement between the Board and the Escrow Agent, providing for the refunding and redemption of the Refunded Bonds.

"Information Reporting Agreement" means the agreement with respect to the Series 2012 Bonds, between the University and the Trustee and authorized by Section 2.5 of this Supplemental Resolution.

"Refunded Bonds" means, collectively, (i) all of University's Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998, (ii) that portion of the

Board’s General Refunding and Improvement Revenue bonds, Series 2003 maturing on the dates and in the principal amounts as follows:

[insert table of 2003 Refunded Bonds when known]

, (iii) that portion of the Board’s General Revenue Bonds, Series 2004A maturing on the dates and in the principal amounts as follows:

[insert table of 2004A Refunded Bonds when known]

, and (iv) that portion of the Board’s General Revenue Bonds, Series 2004B maturing on the dates and in the principal amounts as follows:

[insert table of 2004B Refunded Bonds when known]

“Representation Letter” means the Blanket Representation Letter dated June 26, 2003, from the University to DTC.

“Resolution” means the 1992 Resolution, as amended and supplemented by Supplemental Resolutions thereto, including the Restatement.

“Restatement” means the restatement of the 1992 Resolution, as amended and supplemented by Supplemental Resolutions, which restatement was adopted by the Board on August 12, 2004.

“Securities Depository” means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to Section 2.9.

“Series 2012 Bondholder” means the Holder of any Series 2012 Bond.

“Series 2012 Bonds” means the $__________ principal amount of General Revenue Refunding Bonds, Series 2012 authorized to be issued pursuant to this Supplemental Resolution.

“Series 2012 Cost of Issuance Fund” means the special account created by Section 3.1 of this Supplemental Resolution, from which the Costs of Issuance of the Series 2012 Bonds shall be paid.

“Supplemental Resolution” means this Supplemental Resolution of the Board adopted on June 20, 2012, authorizing the Series 2012 Bonds.

“Trustee and Paying Agent” means U.S. Bank National Association, and its successors and permitted assigns under the Resolution.

“Underwriter” means Barclays Capital Inc.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

Section 1.2 Authority for Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act, Section 57-504 Idaho Code and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2012 BONDS

Section 2.1 Authorization of Series 2012 Bonds, Principal Amount, Designation and Series. In order to provide sufficient funds for (i) the refunding of the Refunded Bonds and (ii) paying costs of issuance, and in accordance with and subject to the terms, conditions and limitations established in the Resolution, as previously amended, a series of Additional Bonds is hereby authorized to be issued in the aggregate principal amount of $__________ and shall be designated "Idaho State University General Revenue Refunding Bonds, Series 2012." The Series 2012 Bonds shall be issued only in fully registered form, without coupons.

Section 2.2 Finding and Purpose. The Board hereby finds, determines and declares:

(a) pursuant to Section 33-3804(i) and Section 57-504, Idaho Code, the Refunded Bonds can be refunded with a debt service savings and to the benefit and advantage of the University;

(b) pursuant to Section 33-3809, Idaho Code, this Supplemental Resolution does not contract a debt on behalf of, or in any way obligate the State of Idaho, or pledge, assign or encumber in any way, or permit the pledging, assigning or encumbering in any way of, appropriations made by the Legislature, or revenue derived from the investment of the proceeds of the sale, and from the rental of such lands as have been set aside by the Idaho Admission Bill approved July 3, 1890, or other legislative enactments of the United States, for the use and benefit of the respective state educational institutions;

(c) pursuant to Section 33-3810, Idaho Code, the Series 2012 Bonds shall be exclusively obligations of the University, payable only in accordance with the terms thereof and shall not be obligations general, special or otherwise of the State of Idaho; and

(d) the requirements of Section 7.3 of the Resolution, as amended, will have been complied with upon the delivery of the Series 2012 Bonds, in that the Debt Service on the Series 2012 Bonds in each year does not exceed [by more than $25,000] the Debt Service on the Refunded Bonds in such years. The consent of the 1998 Insurer and the 2003 Insurer are not required because the issuance of the Series 2012 Bonds and the refunding of the Refunded Bonds results in a Debt Service savings.

Section 2.3 Issue Date. The Series 2012 Bonds shall be dated as of the date of their initial delivery.

Section 2.4 Series 2012 Bonds.

(a) The Series 2012 Bonds shall mature on April 1 of each of the years and in the principal amounts, and shall bear interest at the rates, as set forth in the following table:

Year of Maturity	Principal Amount	Rate of Interest
	$	%

(b) The Series 2012 Bonds shall bear interest from the date of delivery thereof, payable on October 1, 2012 and semiannually thereafter on each April 1 and October 1.

Section 2.5 Sale of Series 2012 Bonds. The Series 2012 Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate purchase price equal to $_______ (representing the par amount of the Series 2012 Bonds, plus an original issue premium of $________ [and less an underwriter's discount of $________]) on the terms and conditions set forth in the Bond Purchase Agreement. [Under the Bond Purchase Agreement, the Underwriter is to be paid a fee of $______________ for purchasing the Series 2012 Bonds.]

To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, and the Secretary to attest, the Bond Purchase Agreement in the form presented at this meeting.

The final Official Statement of the University for the sale of the Series 2012 Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such final Official Statement and deliver such final Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2012 Bonds and other interested persons, which signature shall evidence such approval. The form and content of, and the use of, the Preliminary Official Statement dated _______________, 2012, by the Underwriter and the actions of the University, including the certification by the Bursar as to the "deemed finality" of the Preliminary Official Statement pursuant to SEC Rule 15c2-12 in connection with the offering of the Series 2012 Bonds, are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of SEC Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Series 2012 Bonds that the University and the Trustee shall have executed and delivered the Information Reporting Agreement. The Information Reporting Agreement is hereby ratified and approved in all respects and the President, Vice President for Finance and Administration or the Bursar are hereby authorized to execute and deliver the Information Reporting Agreement in the form of Exhibit B to the Bond Purchase Agreement.

The Vice President for Finance and Administration of the University and the President and Secretary of the Board are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

Section 2.6 Delivery of Series 2012 Bonds. The Series 2012 Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution, at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement. The Series 2012 Bonds shall be executed as provided in Section 3.2 of the Resolution.

Section 2.7 [Redemption of Series 2012 Bonds Prior to Maturity.

(a) Optional Redemption. The Series 2012 Bonds maturing on or prior to ____________ are not subject to redemption prior to maturity. The Series 2012 Bonds maturing on or after ___________ are subject to redemption prior to maturity at the option of the University in whole or in part on any date on and after ____________ and if in part, in such order of maturity as may be directed by the University and by lot within each maturity at a redemption price equal to 100% of the principal amount of the Series 2012 Bonds to be redeemed plus accrued interest to the date of redemption

(b) Mandatory Sinking Fund Redemption. The Series 2012 Bonds maturing on ___________ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the principal amounts as follows:

Redemption Date (April 1)	Principal Amount
	$
*	

---

* Final Maturity

(c) Upon redemption of any Series 2012 Bonds maturing on ___________, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2012 Bonds maturing on ___________, in such order of mandatory sinking fund date as shall be directed by the University.

(d) Notice of Redemption. When the Series 2012 Bonds are called for redemption, notice must be sent by the Trustee, postage prepaid, by first class mail not less than thirty-five (35) nor more than sixty (60) days prior to the redemption date to the registered owners of the Series 2012 Bonds to be redeemed at the address shown on the Bond Register. As provided in the Resolution, the Trustee may give further notice of redemption at least thirty-five (35) days before the redemption or distribution date by registered or certified mail or overnight delivery service to certain registered national securities depositories and national information services; provided, however that no defect in such further notice or failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption.

(e) Conditional Notice of Redemption. In addition to the items required by the Resolution, each notice of redemption may further state, in the case of optional redemption, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Series 2012 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and such Series 2012 Bonds shall not be required to be redeemed. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.]

Section 2.8 Form of Series 2012 Bond. The form of Series 2012 Bond is attached to this Supplemental Resolution as Exhibit A, and is incorporated herein by this reference.

Section 2.9 Submittal to Attorney General. There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Board a certified copy of this Supplemental Resolution, together with the proceedings had in their adoption, in order that the Attorney General may examine into and pass upon the validity of the Series 2012 Bonds and the regularity of such proceedings, in the manner and with the effect specified in Chapter 38 of Title 33, Idaho Code, as amended.

Section 2.10 Book-Entry Only System.

(a) The Series 2012 Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2012 Bonds, except in the event the Trustee issues Replacement Bonds as provided below. It is anticipated that during the term of the Series 2012 Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2012 Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below. So long as any of the Series 2012 Bonds are registered in the name of Cede & Co., as nominee of the DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2012 Bonds and all notices with respect to the Series 2012 Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the Series 2012 Bonds and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the book-entry system of the Securities Depository, the University shall execute and the Trustee shall authenticate and deliver one or more Series 2012 Bond certificates (the "Replacement Bonds") to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial Owners' interests in the Series 2012 Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2012 Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to Series 2012 Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2012 Bonds;

(iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2012 Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2012 Bonds.

(d) The University has previously executed and delivered to DTC the Representation Letter in connection with the issuance of its Bonds, including the Series 2012 Bonds. Such Representation Letter is for the purpose of effectuating the initial Book-Entry System for the Series 2012 Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of this Supplemental Resolution which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Supplemental Resolution, the terms of this Supplemental Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 2.11 Successor Securities Depository. In the event the Securities Depository resigns, is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the University, may appoint a successor Securities Depository, and shall deliver notice of such appointment to the Trustee. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2012 Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2012 Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 2.12 Tax Exemption of Bonds.

(a) The University's Vice President for Finance and Administration and Bursar is hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Series 2012 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations, (ii) the Series 2012 Bonds are not and will not become "private activity bonds" within the meaning of Section 141 of the Code, (iii) all applicable requirements of Section 149 of the Code are and will be met, (iv) the covenants of the Board contained in this Section 2.13 will be complied with and (v) interest on the Series 2012 Bonds is not and will not become includible in gross income for federal income tax purposes under the Code and applicable Regulations.

(b) The Board and the University covenant and certify to and for the benefit of the Series 2012 Bondholders from time to time of the Series 2012 Bonds that:

(i) the University will at all times comply with the provisions of any Tax Certificates;

(ii) the University will at all times comply with the rebate requirements contained in Section 148(f) of the Code, including, without limitation, the entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made and the timely payment to the United States, of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the issue and sale of the Series 2012 Bonds, or any funds or accounts of the University which may be deemed to be proceeds of the Series 2012 Bonds, pursuant to Section 148 of the Code and applicable Regulations, which use, if it had been reasonably expected on the date of issuance of the Series 2012 Bonds, would have caused the Series 2012 Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) the University will not use or permit the use of any of its facilities or properties in such manner that such use would cause the Series 2012 Bonds to be “private activity bonds” described in Section 141 of the Code;

(v) no bonds or other evidences of indebtedness of the University that are reasonably expected to be paid out of substantially the same source of funds as the Series 2012 Bonds have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Series 2012 Bonds and ending 15 days following the delivery of the Series 2012 Bonds, other than the Series 2012 Bonds; and

(vi) the University will not take any action that would cause interest on the Series 2012 Bonds to be or to become ineligible for the exclusion from gross income of the Series 2012 Bondholders of the Series 2012 Bonds as provided in Section 103 of the Code, nor will it omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2012 Bonds to be or to become ineligible for the exclusion from gross income of the Series 2012 Bondholders of the Series 2012 Bonds as provided in Section 103 of the Code.

Pursuant to these covenants, the Board and the University obligate themselves to comply throughout the term of the issue of the Series 2012 Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.

ARTICLE III

CREATION OF ACCOUNTS; APPLICATION OF SERIES 2012 BOND PROCEEDS

Section 3.1 Creation of Accounts. In accordance with Section 5.4B of the Resolution, there is hereby established a "Series 2012 Cost of Issuance Fund," to be held by the University.

Section 3.2 Application of Proceeds of Series 2012 Bonds. The proceeds of the sale of the Series 2012 Bonds shall be paid or deposited as follows:

(a) Bond proceeds in the amount of $___________ to the University for deposit into the Series 2012 Cost of Issuance Fund,; and

(b) Bond Proceeds in the amount of $____________ shall be transferred to the Escrow Agent for investment as contemplated by the Escrow Agreement (as hereinafter approved) and in accordance with the provisions of Section 57-504, Idaho Code (except for any amount to be retained as cash), and the obligations in which such proceeds are so invested and any remaining cash shall be deposited in trust by the Escrow Agent as required by the Escrow Agreement.

Section 3.3 Series 2012 Cost of Issuance Fund. The Series 2012 Cost of Issuance Fund shall be held by the University for payment of the Costs of Issuance of the Series 2012 Bonds, [including the Underwriting fees], such costs either paid by the University or paid by the Trustee on behalf of the University. Any balance remaining in the Series 2012 Cost of Issuance Fund after payment of the Costs of Issuance, and no later than ______________, shall be transferred to the University and the Series 2012 Cost of Issuance Fund shall be closed.

ARTICLE IV

PLAN OF REFUNDING

Section 4.1 Defeasance of Refunded Bonds. In accordance with the provisions of the Resolution, it is hereby found and determined that pursuant to the Escrow Agreement, moneys and Defeasance Securities permitted under the Act and under the Resolution, the principal and interest on which, when due, will provide moneys which shall be sufficient to pay, when due, the principal or redemption price or prepayment amount, if applicable, as provided therein, and interest due and to become due on the Refunded Bonds on and prior to the applicable redemption or prepayment dates or maturity thereof will have been deposited with the Escrow Agent, and that upon compliance with the provisions of the Resolution, as provided for in the Escrow Agreement, all Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the Resolution. After all the Refunded Bonds shall have become due and payable upon maturity or pursuant to call for redemption, any investments remaining in the Escrow Account shall be liquidated and any proceeds of liquidation over and above the amount necessary to be retained for the payment of Refunded Bonds not yet presented for payment, including interest due and payable, shall be paid over to the Trustee for deposit into the Bond Fund. As contemplated by Section 12.1 of the Resolution, none of the Refunded Bonds are payable from amounts drawn under credit enhancement as provided in Section 57-231 of the Idaho Code.

Section 4.2 Redemption of Refunded Bonds. The Refunded Bonds shall be irrevocably called for redemption pursuant to the Escrow Agreement, and notice of redemption shall be given as provided in the Escrow Agreement.

Section 4.3 Approval of Escrow Agreement; Deposits Into Escrow Account.

(a) The Escrow Agreement, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such Escrow Agreement, which signature shall evidence such approval. The Bursar is hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Escrow Agreement and to carry the same into effect.

(b) The proceeds of the sale of the Series 2012 Bonds, [together with other available funds of the University], shall be invested or reinvested as contemplated in the Act (except for any amount to be retained as cash), the Resolution and the Escrow Agreement and the obligations in which such moneys are so invested and any remaining cash shall be deposited into the Escrow Account created under the Escrow Agreement in trust with the Escrow Agent. The Investment Securities in which such moneys are so invested shall comply in all respects with the provisions of Section 57-504, Idaho Code.

(c) Upon establishment of the Escrow Account, the money, securities and funds pledged under the Resolution, and all covenants, agreements and obligations of the University to the holders of the Refunded Bonds shall thereupon cease, terminate and thereupon become void and be discharged and satisfied.

ARTICLE V

MISCELLANEOUS

Section 5.1 Governing Law. By the acceptance of the Series 2012 Bonds, the Series 2012 Bondholders shall be deemed to agree that their respective rights shall be governed by the laws of the State of Idaho.

Section 5.2 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Supplemental Resolution on the part of the University (or of the Trustee or of any Paying Agent) to be performed should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Supplemental Resolution or of the Series 2012 Bonds; but the Series 2012 Bondholders shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 5.3 Savings Clause. Except as amended by this Supplemental Resolution, the Resolution shall remain in full force and effect.

Section 5.4 Conflicting Resolutions; Effective Date. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 5.5 Perfection of Security Interest.

(a) The Resolution creates a valid and binding pledge and assignment of security interest in all of the Pledged Revenues under the Resolution as security for payment of the Series 2012 Bonds, enforceable by the Board in accordance with the terms thereof.

(b) Under the laws of the State of Idaho, such pledge and assignment and security interest is automatically perfected by Section [57-234] 57-232, Idaho Code, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contact, or otherwise hereafter imposed on the Pledged Revenues.

ADOPTED AND APPROVED this 20th day of June, 2012.

THE BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY

____
President

ATTEST:

____
Secretary

EXHIBIT A

FORM OF SERIES 2012 BOND

R-__________ $_______________

UNITED STATES OF AMERICA
STATE OF IDAHO
IDAHO STATE UNIVERSITY
REFUNDING BONDS
SERIES 2012

Interest Rate	Maturity Date	Dated Date	CUSIP

Registered Owner: CEDE & CO.

Principal Amount: ____________________ DOLLARS************************

KNOW ALL MEN BY THESE PRESENTS that Idaho State University, a body politic and corporate and an institution of higher education of the State of Idaho (the "University"), for value received, hereby promises to pay, from the Bond Fund hereinafter defined, to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on October 1, 2012, and semiannually on each April 1 and October 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

This Bond is an obligation of the University payable solely in accordance with the terms hereof and is not an obligation, general, special, or otherwise of the State of Idaho, does not constitute a debt, legal, moral, or otherwise, of the State of Idaho, and is not enforceable against the State, nor shall payment hereof be enforceable out of any funds of the University other than the revenues, fees, and charges pledged thereto in the Bond Resolution (defined herein). Pursuant to the Bond Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund (as defined in the Bond Resolution) to provide for the prompt payment of the principal of, interest on, and redemption price of the Bonds of which this Bond is a part. For a more particular description of the Bond Fund, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Bond Resolution.

Both principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall appear on the registration books of the University (the "Bond Register") maintained by the Corporate Trust Department of U.S. Bank National Association (the "Trustee"), in Salt Lake City, Utah. Interest shall be paid to the registered owner whose name appears on the Bond Register on the fifteenth day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid by check or draft of the Trustee mailed to such registered owner on the due date at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.

This Bond is one of a duly authorized issue of Bonds of like date, tenor, and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating $__________ in principal amount. The Bonds are issued pursuant to and in full compliance with the Constitution and statutes of the State of Idaho, particularly Chapter 38, Title 33 and Section 57-504, Idaho Code, and proceedings duly adopted and authorized by the Board on behalf of the University, more particularly the Resolution adopted by the Board on September 17, 1992, as previously amended, supplemented and restated from time to time, including with respect to the Bonds by a Supplemental Resolution by the Board on June 20, 2012, authorizing the issuance of the Bonds (collectively, the "Bond Resolution").

This Bond is one of the General Revenue Refunding Bonds, Series 2012, of the University issued under the provisions of Chapter 38, Title 33 and Section 57-504, Idaho Code, for the purpose of providing funds with which to (i) refund certain outstanding bonds of the University and (ii) pay expenses properly incident thereto and to the issuance of the Bonds. The principal of, interest on, and redemption price of the Bonds is payable from revenues and funds of the University pledged therefor and consisting generally of the University's tuition, Student Facilities Fee/Facilities, Net Revenues of the Housing System, certain revenues from leasing the CAES Project and certain other fees and revenues, as more particularly set forth in the Bond Resolution.

[The Series 2012 Bonds are subject to redemption at the time, in the amounts and at the prices and with such notice all as provided in the Resolution.]

The Bonds are initially issued in the form of a separate single certificated fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

Unless this Bond is presented by an authorized representative of DTC to the University or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Upon any partial redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Series 2012 Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Series 2012 Bonds shall not be transferable or exchangeable except as set forth in the Resolution.

[This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Bond, of the same denomination, maturity, and interest rate will be issued to the transferee in exchange therefor.]

Reference is hereby made to the Bond Resolution for the covenants and declarations of the University and other terms and conditions under which this Bond and the bonds of this issue have been issued. The covenants contained herein and in the Bond Resolution may be discharged by making provisions at any time for the payment of the principal of and interest on this Bond in the manner provided in the Bond Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the Bonds of this issue does not violate any Constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board of Trustees of Idaho State University (the "Board"), has caused this Bond to be executed by the manual or facsimile signature of the President of the Board and of the Bursar of the University and attested by the manual or facsimile signature of the Secretary of the Board, and a facsimile or original of the official seal of the University to be imprinted hereon, as of the dated date set forth above.

IDAHO STATE UNIVERSITY

By:__________________________________
President of the Board of Trustees
of Idaho State University

COUNTERSIGNED:

(SEAL)

By:__________________________________
Bursar

ATTEST:

By:__________________________________
Secretary of the Board of Trustees
of Idaho State University

CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Revenue Refunding Bonds, Series 2012, of Idaho State University, described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:__________________________________
Authorized Signature

Date of Authentication: _______________________

VALIDATION CERTIFICATE

I hereby certify that I have examined a certified copy of the record of proceedings taken preliminary to and in the issuance of the within bond; that such proceedings and such bond conform to and show lawful authority for the issuance thereof in accordance with the provisions of Title 33, Chapter 38 and Section 57-504, Idaho Code, as amended. Such bond has been issued in accordance with the Constitution and laws of the State of Idaho and shall in any suit, action or proceeding involving its validity be conclusively deemed to be fully authorized by Title 33, Chapter 38 and Section 57-504, Idaho Code, and to have been issued, sold, executed, and delivered in conformity with the Constitution and laws of the State of Idaho and to be valid and binding and enforceable in accordance with its terms, and such bond is incontestable for any cause.

____

Hon. Lawrence G. Wasden
Attorney General

ASSIGNMENT

FOR VALUE RECEIVED, ____, the undersigned sells, assigns and transfers unto:

____
(Social Security or Other Identifying Number of Assignee)

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond and hereby irrevocably constitutes and appoints ___________________ of ________________________ to transfer the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:________________________

Signature:___________________________

NOTICE: The signature on this assignment must correspond with the name(s) of the Registered owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company and must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Resolution.

Date of Prepayment	Principal Prepaid	Signature of Authorized Representative of DTC

** Include when Bonds registered with DTC.**
[Bracketed text deleted when Bonds DTC-registered.]

(End of Form of Series 2012 Bond)

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IDAHO STATE UNIVERSITY
$__________
GENERAL REVENUE REFUNDING BONDS,
SERIES 2012

BOND PURCHASE AGREEMENT

_________ ___, 2012

Idaho State University
Attn:
921 South 8th Avenue, Stop 8219
Pocatello, Idaho 83209-3000

Ladies and Gentlemen:

The undersigned, Barclays Capital Inc., as underwriter (the "*Underwriter*"), hereby offers to enter into this Bond Purchase Agreement (the "*Purchase Agreement*") with Idaho State University (the "*University*"), which, upon the acceptance by the University of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon the University and the Underwriter.

This offer is made subject to your acceptance and approval on or before 5:00 p.m. Mountain Time on the date hereof, and until so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the University by the Underwriter at any time prior to the execution and acceptance hereof by the University. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter defined Resolution.

ARTICLE I

Section 1.1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the University, and the University hereby agrees to sell to the Underwriter, all, but not less than all, of the University's $__________ General Revenue Refunding Bonds, Series 2012 (the "*Bonds*"), for a purchase price of $_________, representing the principal amount of the Bonds, plus original issue premium of $__________ (the "*Purchase Price*"). In consideration for its services, the University agrees to pay to the Underwriter a fee of $__________ (the "*Underwriter's Fee*").

Section 1.2. The Bonds. The Bonds are being issued for the purpose of refunding certain outstanding bonds of the University (the "*Refunded Bonds*") and to pay costs of issuance of the Bonds.

The Bonds shall be dated as of their date of delivery, shall bear interest at the rates, mature in the amounts and on the dates as set forth in SCHEDULE I hereto, and shall be subject to redemption prior to maturity as set forth in the Supplemental Resolution (defined below). The Bonds shall be issued pursuant to the Resolution adopted September 17, 1992, as previously supplemented and amended (the *"Master Resolution"*), and as further supplemented by a Supplemental Resolution adopted on June __, 2012 (the *"Supplemental Resolution"* and, together with the Master Resolution, the *"Resolution"*) by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the *"Board"*), substantially in the form heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon between us.

The Bonds will be payable from and secured by a pledge of certain revenues of the University (as defined in the Resolution, the *"Pledged Revenues"*), on a parity with all bonds now outstanding under the Resolution and any additional bonds hereafter issued under the Resolution.

Section 1.3. Official Statement; Continuing Disclosure. (a) The Bonds shall be offered pursuant to an Official Statement of even date herewith (which, together with the cover page and all appendices thereto, and with such changes therein and supplements thereto which are consented to in writing by the Underwriter is herein called the *"Official Statement"*).

(b) The University has previously deemed the Official Statement "final" as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (*"Rule 15c2-12"*), and the University hereby authorizes the use of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. The University agrees to provide to the Underwriter, on or prior to the Closing Date, and in any event not later than seven business days after the date hereof, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

(c) If at any time prior to 25 days after the "end of the underwriting period" (as defined below), any event shall occur, or any preexisting fact shall become known, of which the University has knowledge which might or would cause the Official Statement as then supplemented or amended to contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the University, at its expense, shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the University will (i) supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and (ii) provide the Underwriter with such certificates and legal opinions as shall be requested by the Underwriter in order to evidence the accuracy and completeness of the Official Statement as so supplemented or amended. If the Official Statement is so supplemented or amended prior to the Closing (defined below), such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Agreement by written notification delivered to the University by the Underwriter at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

(d) For purposes of this Purchase Agreement, the "end of the underwriting period" shall mean the day of the Closing, or, if the University has been notified in writing by the Underwriter on or prior to the date of the Closing that the "end of the underwriting period" within the meaning of Rule 15c2-12 will not occur on the date of the Closing, such later date on which the "end of the underwriting period" within such meaning has occurred. In the event that the University has been given notice pursuant to the preceding sentence that the "end of the underwriting period" will not occur on the date of the Closing, the Underwriter agrees to notify the University in writing of the date it does occur as soon as practicable following the "end of the underwriting period" for all purposes of Rule 15c2-12; *provided, however,* that if the Underwriter has not otherwise so notified the University of the "end of the underwriting period" by the 90th day after the Closing, then the "end of the underwriting period" shall be deemed to occur on such 90th day unless otherwise agreed to by the University.

(e) In order to enable the Underwriter to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 in connection with the offering of the Bonds, the University covenants and agrees with the Underwriter that it will execute and deliver a Continuing Disclosure Undertaking with respect to the Bonds (the *"Continuing Disclosure Undertaking"* and, collectively with this Purchase Contract, the hereinafter defined Escrow Agreement, and the Resolution, the *"Bond Documents"*) in substantially the form attached as APPENDIX E to the Preliminary Official Statement dated ______________, 2012 (the *"Preliminary Official Statement"*), on or before the Closing Date.

Section 1.4. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices set forth on the inside cover page of the Official Statement. The Underwriter may, however, change such initial offering prices or yields as it may deem necessary in connection with the marketing of the Bonds and offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth on the inside cover page of the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market and (b) to discontinue such stabilizing, if commenced, at any time without prior notice.

Section 1.5. Closing. The *"Closing Date"* shall be _____________, 2012, or such other date as the University and the Underwriter shall mutually agree upon. The delivery of and payment for the Bonds and the other actions described in Sections 1.5 and 3.1 of this Purchase Agreement are referred to herein as the *"Closing."* The Closing shall take place at the offices of ___________________ in _________________. On the Closing Date, the University will deliver the Bonds or cause the Bonds to be delivered to or for the account of The Depository Trust Company (*"DTC"*), duly executed and authenticated. The University will also deliver to the Underwriter at the Closing the other documents described below and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1.1 hereof in federal funds payable to the order of the University. The Bonds will be registered in the name of Cede & Co., as nominee of DTC.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY

To induce the Underwriter to enter into this Purchase Agreement, the University represents and warrants to the Underwriter as follows:

Section 2.1. The University has been duly organized and is validly existing under the Constitution and laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Purchase Agreement and the Official Statement, including the execution, delivery and approval of all documents and agreements referred to herein or therein.

Section 2.2. The execution and delivery of the Bonds and the Bond Documents, the adoption of the Resolution, and compliance with the provisions on the University's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the University is a party or to which the University is or to which any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the University to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Resolution.

Section 2.3. (a) By all necessary official action of the University taken prior to or concurrently with the acceptance hereof, the University has duly authorized (i) the adoption of the Resolution and the issuance and sale of the Bonds, (ii) the execution and delivery of, and the performance by the University of the obligations on its part, contained in the Bonds and the Bond Documents, (iii) the distribution and use of the Preliminary Official Statement and the execution, distribution and use of the Official Statement for use by the Underwriter in connection with the public offering of the Bonds, and (iv) the consummation by it of all other transactions described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the University in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(b) This Purchase Agreement has been duly authorized, executed and delivered, the Resolution has been duly adopted, and this Purchase Agreement and the Resolution constitute the legal, valid and binding obligations of the University, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and the

Continuing Disclosure Undertaking, when duly executed and delivered, will constitute the legal, valid and binding obligation of the University, enforceable in accordance with its terms.

(c) The Bonds, when issued, delivered and paid for in accordance with the Resolution and this Purchase Agreement, will have been duly authorized, executed, issued and delivered by the University and will constitute the valid and binding obligations of the University, enforceable against the University in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Resolution.

(d) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Bond Documents, the issuance of the Bonds or the due performance by the University of its obligations under the Bond Documents and the Bonds, have been duly obtained.

Section 2.4. Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the University, threatened against the University: (i) affecting the existence of the University or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Bond Documents, (iv) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the University or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Bond Documents, nor, to the best knowledge of the University, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents.

Section 2.5. The University is not in breach of or in default under any existing constitutional provision, law, court or administrative regulation, judgment, decree or order, or any loan agreement, indenture, bond, note, resolution mortgage, lease, sublease, agreement, or other instrument to which the University is a party or by which it or its property is or may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to such extent as could have a material adverse effect on the financial condition of the University or the transactions contemplated by this Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or the Bond Documents, or would in any way adversely affect the existence or powers of the University, or would in any way adversely affect the tax-exempt status of interest on the Bonds.

Section 2.6. The Bonds and the Resolution conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions, "THE SERIES 2012 BONDS" and "SECURITY FOR THE SERIES 2012 BONDS"; the proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement and the Official Statement under the caption, "ESTIMATED SOURCES AND USES OF FUNDS." The University has the legal authority to apply, and will apply or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Section 2.7 The Preliminary Official Statement, as supplemented and amended through the date hereof, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the time of the University's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 1.3 of this Purchase Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 1.3 of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto to and including the date that is 25 days after the "end of the underwriting period," the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

Section 2.8. The University will furnish such information and execute such instruments and take such action in cooperation with the Underwriter, at no expense to the University, as the Underwriter may reasonably request (a) to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (b) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the University will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the University of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

Section 2.9. The University has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

Section 2.10. (a) The financial statements of, and other financial information regarding, the University in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the University as of the dates and for the periods therein set forth. The financial statements of the University have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the University's audited financial statements included in the Preliminary Official Statement and in the Official Statement. Except as described in the Preliminary Official Statement, since June 30, 2011, there has been no material adverse change in the condition, financial or otherwise, of the University from that set forth in the audited financial statements as of and for the period ended that date; and except as described in the Preliminary Official Statement, the University, since June 30, 2011, has not incurred any material liabilities, directly or indirectly, except in the ordinary course of the University's operations.

(b) Prior to the Closing, the University will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the University. The University will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriter.

Section 2.11. Each representation, warranty or agreement stated in any certificate signed by any officer of the University and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the University upon which the Underwriter shall be entitled to rely.

ARTICLE III

CLOSING CONDITIONS

Section 3.1. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties herein and the performance by the University of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following conditions:

(a) The representations and warranties of the University contained herein shall be true, complete and correct in all material respects at the date hereof and on the Closing Date, as if made on the Closing Date. At the time of Closing (i) the Official Statement, the Resolution and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (ii) the proceeds of sale of the Bonds shall be paid to the Trustee of the Bonds for deposit or use as described in the Official Statement. On the Closing Date, no "Event of Default" shall have occurred or be existing under the Resolution nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an Event of Default under the Resolution, nor shall the University be in default in the payment of principal of or interest on any of its obligations for borrowed money.

(b) The Underwriter shall have the right to terminate this Purchase Agreement by written notification delivered to the University by the Underwriter, if at any time on or prior to the Closing Date:

(i) the Official Statement shall have been amended, modified or supplemented without the consent of the Underwriter;

(ii) any event shall occur, or any information shall become known, which makes untrue any statement of a material fact in the Official Statement or makes an omission of a fact that should be included in the Official Statement in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading,

(iii) any material adverse change in the affairs or financial condition of the University shall have occurred since the date of this Purchase Agreement (except for changes which the Official Statement discloses are expected to occur) that, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Idaho (the *"State"*), or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds;

(v) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the *"Securities Act"*), or that the Resolution needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the *"Trust Indenture Act"*);

(vi) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds are not exempt from registration under the Securities Act, or that the Resolution is not exempt from qualification under the Trust Indenture Act;

(vii) legislation shall have been passed by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or the State Legislature, or a decision shall have been rendered by a court of the United States or of the State or by the Tax Court of the United States, or a ruling or an official statement (including a press release) or proposal shall have been made or a regulation shall have been proposed or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the University pursuant to the Resolution, or with respect to federal or State taxation of interest received on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal or State tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof, which in the opinion of the Underwriter would adversely affect the market price of the Bonds or the ability to enforce contracts for the sale of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated in connection herewith, or any other action or events shall have occurred which, in the judgment of the Underwriter, materially adversely affect the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which in the reasonable judgment of the Underwriter, materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(ix) a general banking moratorium shall have been established by federal, State or New York authorities, or there shall have occurred a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter), or a disruption in securities settlement, payment or clearance services shall have occurred, which in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(x) there shall have occurred any new material outbreak of hostilities (including, without limitation, an act of terrorism) or new material other national or international calamity or crisis, or any material adverse change in the financial, political or economic conditions affecting the United States, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, the effect of which would, in the reasonable opinion of the Underwriter, affect materially or adversely the ability of the Underwriter to market the Bonds;

(xi) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Purchase Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the University's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the University (including any rating to be accorded the Bonds); or

(xii) any action, suit or proceeding described in Section 2.4 or 3.1(c)(4) shall have been commenced which, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds.

(c) At or prior to the Closing for the Bonds, the Underwriter shall receive the following documents:

(1) The approving opinion of Ballard Spahr LLP (*"Bond Counsel"*), dated the date of Closing, in substantially the form included as APPENDIX F to the Official Statement;

(2) (A) The opinion of Ballard Spahr LLP, as Disclosure Counsel, dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as *Exhibit A* and (B) the opinion of Hawley Troxell Ennis & Hawley LLP (*"Underwriter's Counsel"*), dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as *Exhibit C*;

(3) The opinion of Bradley H. Hall, Esq., counsel to the University, in substantially the form attached hereto as *Exhibit B*;

(4) The University's certificate or certificates signed by its Vice-President for Finance and Administration and Bursar dated the date of the Closing to the effect that (A) no litigation is pending or, to its knowledge,

threatened: (i) to restrain or enjoin the collection of Pledge Revenues under the Resolution; (ii) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds, the Resolution, this Purchase Agreement, the exemption from federal income taxation of interest on the Bonds; or (iii) in any way contesting the powers or operation of the University; (B) to the best of his or her knowledge, the descriptions and information contained in the Preliminary Official Statement and the Official Statement relating to the University and its operational and financial and other affairs and the application of the proceeds of sale of the Bonds are correct in all material respects, as of their respective dates and as of the date of Closing; (C) such descriptions and information, as of the respective dates of the Preliminary Official Statement and Official Statement, did not, and, as of the date of Closing, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (D) at the time of the Closing, no default or event of default has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Resolution, this Purchase Agreement or any other material agreement or material instrument to which the University is a party or by which it is or may be bound or to which any of its property or other assets is or may be subject; (E) the Resolution of the University authorizing or approving the execution of this Purchase Agreement, the Continuing Disclosure Undertaking, the Official Statement, and the form of the Bonds has been duly adopted by the University and has not been modified, amended or repealed; (F) no event affecting the University has occurred since the respective dates of the Preliminary Official Statement and Official Statement that either makes untrue, as of the date of Closing, any statement or information relating to the same and contained in the Preliminary Official Statement or Official Statement or that should be disclosed therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; and (G) the representations of the University herein are true and correct in all material respects as of the date of Closing;

(5) A copy of the transcript of all proceedings of the University, including the Supplemental Resolution, relating to the authorization and issuance of the Bonds, certified by appropriate officials of the University;

(6) A certificate of the University relating to matters affecting the tax-exempt status of interest on the Bonds, including the use of proceeds of sale of the Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(7) Satisfactory evidence that the Bonds are rated "[____] and "[__]" by Moody's Investors Service, Inc. and Standard & Poor's, respectively;

(8) Copies of the Official Statement related to the Bonds executed on behalf of the University;

(9) An executed counterpart of the Continuing Disclosure Undertaking;

(10) A specimen Bond;

(11) An executed copy of Internal Revenue Service Form 8038-G and evidence of filing thereof;

(12) An executed counterpart of the Escrow Agreement between the University and U.S. Bank National Association with respect to the refunding of the Refunded Bonds;

(13) Escrow verification report issued by __________ (the *"Verifier"*); and

(14) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request;

If the University shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the University shall be under further obligation hereunder, except as further set forth in Article IV hereof. However, the Underwriter may, in its sole discretion, waive one or more of the conditions imposed by this Purchase Agreement and proceed with the Closing. Acceptance of the Bonds and payment therefor by the Underwriter shall be deemed a waiver of noncompliance with any of the conditions herein.

ARTICLE IV

FEES AND EXPENSES

All expenses and costs of the University incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing of the Bonds; advertising costs; the costs of posting, printing, duplicating and mailing the Preliminary Official Statement and the Official Statement; the fees of consultants, the rating agencies, and the Verifier; the initial fee of the Trustee in connection with the issuance of the Bonds; and the fees and expenses of Bond Counsel, Disclosure Counsel, and counsel for the University, shall be paid out of funds made available by the University. All out-of-pocket expenses of the Underwriter (except for any expenses of the University advanced by the Underwriter for which the Underwriter will be reimbursed by the University), including advertising expenses in connection with the public offering of the Bonds, travel and other expenses, and the fees and expenses of Underwriter's Counsel, shall be paid by the Underwriter. To facilitate the Closing, the University hereby authorizes the Underwriter to net from the Purchase Price of the Bonds the Underwriter's Fee and reduce the Purchase Price payable to the University by an equal amount.

ARTICLE V

GENERAL PROVISIONS

Section 5.1. *Notices*. Any notice or other communication to be given to the University under this Purchase Agreement may be given by delivering the same in writing to the University's address set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Barclays Capital Inc., 701 Fifth Avenue, Suite 7101, Seattle, Washington 98104.

Section 5.2. *Entire Agreement*. This Purchase Agreement, when executed by the University, shall constitute the entire agreement between the University and the Underwriter, and is made solely for the benefit of the University and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof.

Section 5.3. *No Recourse*. No recourse shall be had for any claim based on this Purchase Agreement, or any Resolution, certificate, document or instrument delivered pursuant hereto, against any member, officer or employee, past, present or future, of the University or of any successor body of the University.

Section 5.4. *Execution in Counterparts*. This Purchase Agreement may be executed in any number of counterparts, all of which, taken together, shall be one and the same instrument, and any parties hereto may execute this Purchase Agreement by signing any such counterpart.

Section 5.5. *Severability*. The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Agreement as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

Section 5.6. *Waiver or Modification*. No waiver or modification of any one or more of the terms and conditions of this Purchase Agreement shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

Section 5.7. *Governing Law*. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 5.8. Effective Date. This Purchase Agreement shall become effective upon its execution by the Underwriter and the acceptance and approval hereof by the University.

BARCLAYS CAPITAL INC.

By______________________________________
Director

ACCEPTED:

IDAHO STATE UNIVERSITY

By______________________________________
Vice President for Finance and Administration

SCHEDULE I

[ATTACH FINAL NUMBERS FROM UNDERWRITER]

EXHIBIT A

OPINION OF DISCLOSURE COUNSEL

[TO BE DATE CLOSING DATE]

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: $__________
Idaho State University
General Revenue Refunding Bonds,
Series 2012

Ladies and Gentlemen:

We have acted as disclosure counsel in connection with the purchase by Barclays Capital Inc. (the "*Underwriter*") of $__________ General Revenue Refunding Bonds, Series 2012 (the "*Bonds*") issued on this date by Idaho State University (the "*University*"). The Bonds are being issued pursuant to the terms of the Resolution adopted September 17, 1992, as previously supplemented and amended (the "*Master Resolution*"), and as further supplemented by a Supplemental Resolution adopted June __, 2012 (the "*Supplemental Resolution*" and, collectively with the Master Resolution, the "*Resolution*"). Capitalized terms used herein without definition shall have the meanings specified in the Preliminary Official Statement dated ______________, 2012, relating to the Bonds (the "*Preliminary Official Statement*") and the Official Statement dated ______________, 2012, relating to the Bonds (the "*Official Statement*").

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

We have rendered legal advice and assistance to the University as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the "*Rule*"), in connection with the preparation of its Continuing Disclosure Undertaking dated as of the date hereof (the "*Undertaking*") for purposes of the Rule. Based upon our examination of the Undertaking, the Rule and such other documents and matters of law as we have considered necessary, we are of the opinion that, under existing law, the Undertaking complies in all material respects with the applicable requirements of the Rule.

We have rendered assistance to the University in connection with, and have participated in the preparation of, the Preliminary Official Statement and the Official Statement and certain other matters related to the subject financing. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects and a limited review of certain documents, opinions and certificates of officers of the University and other appropriate persons. We also participated in telephone conferences with your representatives and other persons involved in the preparation of information for the Preliminary Official Statement and the Official Statement, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Preliminary Official Statement or Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein, except that in our capacity as Bond Counsel in connection with the issuance of the Bonds, we have reviewed the information contained in the Preliminary Official Statement and Official Statement under the captions, "INTRODUCTION" (apart from the information contained under the caption, "–Idaho State University"), "THE SERIES 2012 BONDS (apart from the information relating to The Depository Trust Company and its book-entry only system), "SECURITY FOR THE SERIES 2012 BONDS", "PLAN OF REFUNDING," "TAX MATTERS," and in APPENDICES A, B, D and F, solely to determine whether such information accurately summarizes the matters described therein. Subject to the foregoing, the summary descriptions in the Preliminary Official Statement and the Official Statement under such captions and in such appendices, as of the respective dates of the Preliminary Official Statement and Official Statement and as of the date hereof, insofar as such descriptions purport to describe or summarize the matters to which such descriptions relate, are accurate summaries of such provisions in all material respects. While we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, except as described in this paragraph, based upon our limited review of documents and participation in conferences as aforesaid, without independent verification, no facts have come to our attention which lead us to believe that the Preliminary Official Statement or the Official Statement (apart from (i) the information relating to The Depository Trust Company and its book-entry only system and (ii) the financial statements or other financial, operating, statistical or accounting data contained therein, as to all of which we do not express any opinion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact (other than, with respect to the Preliminary Official Statement, any information that is permitted to be omitted from the Preliminary Official Statement pursuant to the Rule) necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is solely for the benefit of the Underwriter. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

EXHIBIT B

OPINION OF COUNSEL TO IDAHO STATE UNIVERSITY

[TO BE DATE CLOSING DATE]

Idaho State University
921 South 8th Avenue
Stop 8219
Pocatello, Idaho 83209-8219

Ballard Spahr LLP
201 South Main Street, Suite 800
Salt Lake City, Utah 84111

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: $__________
Idaho State University
General Revenue Refunding Bonds,
Series 2012

Ladies and Gentlemen:

As counsel to Idaho State University (the *"University"*), I have reviewed certain documents in connection with the issuance and sale by the University of its $__________ General Revenue Refunding Bonds, Series 2012 (the *"Bonds"*), including the Resolution adopted on September 17, 1992, by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the *"Board"*), as previously supplemented and amended (the *"Master Resolution"*), and as further supplemented and amended by the Supplemental Resolution of the Board adopted June __, 2012, authorizing the issuance and sale of the Bonds (the *"Supplemental Resolution,"* and, together with the Master Resolution, the *"Resolution"*); the Preliminary Official Statement dated ____________, 2012 (the *"Preliminary Official Statement"*); the Official Statement dated ___________, 2012 (the *"Official Statement"*); the Bond Purchase Agreement, dated _______________, 2012, between the University and Barclays Capital Inc. (the *"Purchase Agreement"*); the Continuing Disclosure Undertaking with respect to the Bonds (the *"Continuing Disclosure Undertaking"*); the Escrow Agreement dated the date hereof between the University and U.S. Bank National Association (the *"Escrow Agreement"*); and such other documents as I deemed necessary to render this opinion. Capitalized terms used but not defined in this opinion have the meanings assigned to such terms in the Resolution. This opinion is rendered pursuant to the Purchase Agreement.

Based upon my examination, it is my opinion that:

1. The University is an institution of higher education and a body politic of the State of Idaho, duly and validly created and existing pursuant to the laws of the State of Idaho, with full legal right, power, and authority (i) to issue bonds of the University pursuant to the Resolution; (ii) to adopt the Resolution; (iii) to enter into the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking; (iv) to pledge the Pledged Revenues (as defined in the Resolution) to secure the payment of the principal of and interest on the Bonds; and (v) to carry out and consummate the transactions contemplated by the Resolution, the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking.

2. The meeting of the Board on June __, 2012, at which the Supplemental Resolution was duly adopted by the Board, was called and held pursuant to law, all public notices required by law were given, and the actions taken at the meeting, insofar as such actions relate to the Bonds, were legally and validly taken.

3. The adoption of the Resolution by the Board, the execution and delivery of the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule, regulation, ordinance, judgment, order or decree to which the University or the Board is subject.

4. Based upon conferences with, and representations of officials of, the University, the statements in the Preliminary Official Statement and the Official Statement under the captions, "INTRODUCTION–Idaho State University," "SECURITY FOR THE SERIES 2012 BONDS," "HISTORICAL PLEDGED REVENUES AND DEBT SERVICE," "THE UNIVERSITY," "SOURCES OF FUNDING FOR THE UNIVERSITY," "UNIVERSITY GOVERNANCE AND ADMINISTRATION," AND "LITIGATION," [Add Student Fee Schedule if moved to an appendix] are true and correct in all material respects and did not, as of their respective dates, and do not contain an untrue statement or omission of a material fact (other than, with respect to the Preliminary Official Statement, any information that is permitted to be omitted from the Preliminary Official Statement pursuant to the Rule), it being understood that, in rendering this opinion, I am not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Preliminary Official Statement and the Official Statement.

5. Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending which

(i) questions the existence or powers of the Board or the University or the title to office of any present official of the Board or the University; (ii) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the execution and delivery of the Purchase Agreement, the Escrow Agreement, or the Continuing Disclosure Undertaking; (iii) affects the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the revenues and other funds and accounts under the Resolution; (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (v) contests any authority for the issuance of the Bonds, and the adoption of the Resolution, or the execution and delivery of the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking, or the validity of any proceedings taken by the University in connection with the issuance or sale of the Bonds.

Very truly yours,

EXHIBIT C

OPINION OF UNDERWRITER'S COUNSEL

________________, 2012

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, WA 98104

Re: *$_____________ Idaho State University General Revenue Refunding Bonds, Series 2012*

Ladies and Gentlemen:

We have acted as counsel to you in connection with the issuance of the above-captioned Series 2012 Bonds (the "Bonds") by Idaho State University (the "Issuer"). Unless otherwise defined herein, capitalized terms used herein have the meanings set forth in the Bond Purchase Agreement (the "Purchase Contract") relating to the sale of the Bonds dated _____________, 2012, between the Issuer and Barclays Capital Inc. (the "Underwriter").

In our capacity as counsel to the Underwriter, we have examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of originals, of the following documents: (i) the Purchase Contract; (ii) the resolution adopted by the Issuer's Board of Trustees (the "Board") on September 17, 1992, as previously amended and supplemented (the "Master Resolution"); (iii) Supplemental Resolution adopted by the Issuer on June __, 2012 authorizing the issuance of the Bonds (the "Supplemental Resolution" and collectively with the Master Resolution, the "Resolutions"); (iv) the Issuer's Preliminary Official Statement relating to the Bonds dated ___________, 2012 (the "Preliminary Official Statement"); (v) the Issuer's Official Statement relating to the Bonds dated _____________ 2012 (the "Official Statement"); (vi) the Continuing Disclosure Undertaking dated __________, 2012 executed by the Issuer relating to the Bonds (the "Undertaking") and (vii) the various certificates and opinions provided on the date hereof pursuant to the Purchase Contract (collectively, the "Documents").

We have assumed: (i) each party to the Documents validly exists and has and had all necessary legal and corporate authority to execute, deliver and perform the Documents to which it is a party; (ii) the execution and performance of the Documents and such other documents as may be executed in connection therewith by each such party will not violate or breach any corporate or other document or instrument to which such person is party or by which it is bound; (iii) the Documents are legal, valid and binding obligations of each such party to the extent purported to be such, enforceable in accordance with their respective terms; (iv) the genuineness of all signatures on the Documents; (v) the authenticity and completeness of all Documents submitted to us as originals; (vi) the legal competence of all natural persons who have signed the Documents; and (vii) the conformity to original Documents of all Documents submitted to us as copies.

It is our opinion that:

In accordance with our understanding with you, we have rendered assistance to you in the course of your investigation with respect to certain disclosures in the Preliminary Official Statement and the Official Statement. We participated in conferences with you, the representatives of the Issuer and certain other persons involved in the preparation of the information contained in the Preliminary Official Statement and the Official Statement, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. We solicited from the Issuer, and in response received, certain written information about the Issuer and the application of the proceeds of the Bonds (as described in the Resolutions and the Official Statement).

While we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, on the basis of the information which was developed in the course of the performance of the services referred to above and without having undertaken to verify independently such accuracy, completeness or fairness, nothing has come to our attention that would lead us to believe that the Preliminary Official Statement, as of its date and the date of the Purchase Contract, and the Official Statement, as of its date and the date hereof (apart from the financial statements and other economic, demographic, financial and statistical data, information regarding The Depository Trust Company, contained in the Preliminary Official Statement and the Official Statement, as to which we do not express any opinion or belief) contain or contained any untrue statement of a material fact or omit or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

This opinion is furnished by this firm as counsel to the Underwriter and is solely for the benefit of the Underwriter. It is not to be used, circulated, quoted, or otherwise referred to for any purposes except that reference may be made to it in the Purchase Contract or in any list of closing documents pertaining to the delivery of the Bonds. It may not be relied upon by any other party or for any other purpose without our express written consent. This firm assumes no obligation to review or supplement this opinion subsequent to its date.

Sincerely,

HAWLEY TROXELL ENNIS & HAWLEY LLP

Idaho State University
General Revenue Refunding Bonds, Series 2012
Preliminary Bond Sizing and Debt Service

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Idaho State University
General Revenue Refunding Bonds, Series 2012

SOURCES AND USES OF FUNDS

Idaho State University
General Revenue Refunding Bonds, Series 2012

Dated Date	07/11/2012
Delivery Date	07/11/2012

Sources:	1998 Component	2003 Component	2004A Component	2004B Component	Total
Bond Proceeds:					
Par Amount	4,865,000.00	20,665,000.00	2,875,000.00	275,000.00	28,680,000.00
Premium	334,982.90	1,875,094.00	272,609.30	21,036.80	2,503,723.00
	5,199,982.90	22,540,094.00	3,147,609.30	296,036.80	31,183,723.00

Uses:	1998 Component	2003 Component	2004A Component	2004B Component	Total
Refunding Escrow Deposits:					
Cash Deposit	0.81	0.71	0.69	0.67	2.88
SLGS Purchases	5,153,388.00	22,344,744.00	3,117,494.00	294,153.00	30,909,779.00
	5,153,388.81	22,344,744.71	3,117,494.69	294,153.67	30,909,781.88
Delivery Date Expenses:					
Cost of Issuance	24,325.00	103,325.00	14,375.00	1,375.00	143,400.00
Underwriter's Discount	19,497.15	94,613.91	13,337.43	1,338.09	128,786.58
	43,822.15	197,938.91	27,712.43	2,713.09	272,186.58
Other Uses of Funds:					
Contingency	2,771.94	(2,589.62)	2,402.18	(829.96)	1,754.54
	5,199,982.90	22,540,094.00	3,147,609.30	296,036.80	31,183,723.00

ATTACHMENT 4

SUMMARY OF BONDS REFUNDED

Idaho State University
General Revenue Refunding Bonds, Series 2012

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Student Facs Fee Ref and Improvement Bonds, 1998, 19980301:					
Term Bonds due April 1, 2017, TERM2017	04/01/2013	4.900%	880,000.00	10/01/2012	100.000
	04/01/2014	4.900%	920,000.00	10/01/2012	100.000
	04/01/2015	4.900%	340,000.00	10/01/2012	100.000
	04/01/2016	4.900%	355,000.00	10/01/2012	100.000
	04/01/2017	4.900%	375,000.00	10/01/2012	100.000
Term Bonds due April 1, 2022, TERM2022	04/01/2018	5.000%	390,000.00	10/01/2012	100.000
	04/01/2019	5.000%	410,000.00	10/01/2012	100.000
	04/01/2020	5.000%	430,000.00	10/01/2012	100.000
	04/01/2021	5.000%	455,000.00	10/01/2012	100.000
	04/01/2022	5.000%	475,000.00	10/01/2012	100.000
			5,030,000.00		
General Refunding and Improvement Bonds, 2003, 20030716:					
Serial Bonds, SERIALS	04/01/2014	5.000%	1,040,000.00	04/01/2013	100.000
	04/01/2015	5.000%	1,880,000.00	04/01/2013	100.000
	04/01/2016	5.000%	1,975,000.00	04/01/2013	100.000
	04/01/2017	5.000%	2,070,000.00	04/01/2013	100.000
	04/01/2018	5.000%	2,175,000.00	04/01/2013	100.000
	04/01/2019	5.000%	2,290,000.00	04/01/2013	100.000
	04/01/2020	5.000%	1,875,000.00	04/01/2013	100.000
	04/01/2021	4.250%	2,410,000.00	04/01/2013	100.000
	04/01/2022	4.250%	2,510,000.00	04/01/2013	100.000
	04/01/2023	5.000%	3,115,000.00	04/01/2013	100.000
			21,340,000.00		
General Revenue Bonds, Series 2004A, 2004082A:					
Bonds, BONDS	04/01/2015	4.000%	275,000.00	04/01/2014	100.000
	04/01/2016	4.000%	285,000.00	04/01/2014	100.000
	04/01/2017	4.000%	295,000.00	04/01/2014	100.000
	04/01/2018	4.000%	305,000.00	04/01/2014	100.000
	04/01/2019	4.000%	320,000.00	04/01/2014	100.000
	04/01/2020	4.125%	330,000.00	04/01/2014	100.000
	04/01/2021	4.250%	345,000.00	04/01/2014	100.000
	04/01/2022	4.250%	360,000.00	04/01/2014	100.000
	04/01/2023	4.375%	375,000.00	04/01/2014	100.000
			2,890,000.00		
General Revenue Bonds, Series 2004B, 2004110B:					
Term Bonds due April 1, 2023, TERM2023	04/01/2022	4.625%	55,000.00	10/01/2014	100.000
	04/01/2023	4.625%	210,000.00	10/01/2014	100.000
			265,000.00		
			29,525,000.00		

SAVINGS

Idaho State University
General Revenue Refunding Bonds, Series 2012

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/11/2012 @ 2.4240099%
04/01/2013	2,290,167.52	2,080,780.55	209,386.97	211,256.61
04/01/2014	3,327,047.52	3,041,150.00	285,897.52	275,967.92
04/01/2015	3,764,967.52	3,472,200.00	292,767.52	275,615.56
04/01/2016	3,763,307.52	3,469,000.00	294,307.52	270,332.07
04/01/2017	3,760,762.52	3,467,000.00	293,762.52	263,271.88
04/01/2018	3,757,087.52	3,471,000.00	286,087.52	250,171.68
04/01/2019	3,766,637.52	3,475,600.00	291,037.52	248,270.93
04/01/2020	3,233,837.52	2,940,600.00	293,237.52	244,021.96
04/01/2021	3,679,975.02	3,387,400.00	292,575.02	237,525.14
04/01/2022	3,730,137.52	3,442,400.00	287,737.52	227,948.15
04/01/2023	3,881,868.76	3,650,400.00	231,468.76	178,964.01
	38,955,796.46	35,897,530.55	3,058,265.91	2,683,345.92

Savings Summary

PV of savings from cash flow	2,683,345.92
Plus: Refunding funds on hand	1,754.54
Net PV Savings	2,685,100.46

SAVINGS

Idaho State University
1998 Component

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/11/2012 @ 2.4240099%
04/01/2013	1,128,630.00	1,089,888.89	38,741.11	39,114.12
04/01/2014	1,125,510.00	1,066,600.00	58,910.00	56,857.99
04/01/2015	500,430.00	444,000.00	56,430.00	53,082.64
04/01/2016	498,770.00	441,000.00	57,770.00	53,023.71
04/01/2017	501,375.00	442,600.00	58,775.00	52,636.72
04/01/2018	498,000.00	443,600.00	54,400.00	47,548.99
04/01/2019	498,500.00	439,000.00	59,500.00	50,729.15
04/01/2020	498,000.00	439,000.00	59,000.00	49,078.69
04/01/2021	501,500.00	443,400.00	58,100.00	47,151.91
04/01/2022	498,750.00	442,000.00	56,750.00	44,930.88
	6,249,465.00	5,691,088.89	558,376.11	494,154.80

Savings Summary

PV of savings from cash flow	494,154.80
Plus: Refunding funds on hand	2,771.94
Net PV Savings	496,926.74

SAVINGS

Idaho State University
2003 Component

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/11/2012 @ 2.4240099%
04/01/2013	1,030,100.00	865,433.33	164,666.67	165,815.19
04/01/2014	2,070,100.00	1,845,000.00	225,100.00	217,259.09
04/01/2015	2,858,100.00	2,633,800.00	224,300.00	211,219.67
04/01/2016	2,859,100.00	2,634,400.00	224,700.00	206,448.38
04/01/2017	2,855,350.00	2,632,000.00	223,350.00	200,213.30
04/01/2018	2,856,850.00	2,636,600.00	220,250.00	192,624.24
04/01/2019	2,863,100.00	2,642,800.00	220,300.00	187,952.48
04/01/2020	2,333,600.00	2,110,400.00	223,200.00	185,749.30
04/01/2021	2,774,850.00	2,550,800.00	224,050.00	181,897.55
04/01/2022	2,772,425.00	2,550,800.00	221,625.00	175,589.08
04/01/2023	3,270,750.00	3,047,200.00	223,550.00	172,834.47
	28,544,325.00	26,149,233.33	2,395,091.67	2,097,602.74

Savings Summary

PV of savings from cash flow	2,097,602.74
Plus: Refunding funds on hand	(2,589.62)
Net PV Savings	2,095,013.12

SAVINGS

Idaho State University
2004A Component

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/11/2012 @ 2.4240099%
04/01/2013	119,181.26	112,622.22	6,559.04	6,852.87
04/01/2014	119,181.26	113,800.00	5,381.26	5,193.81
04/01/2015	394,181.26	383,800.00	10,381.26	9,752.74
04/01/2016	393,181.26	383,000.00	10,181.26	9,336.61
04/01/2017	391,781.26	381,800.00	9,981.26	8,934.77
04/01/2018	389,981.26	380,200.00	9,781.26	8,546.76
04/01/2019	392,781.26	383,200.00	9,581.26	8,172.17
04/01/2020	389,981.26	380,600.00	9,381.26	7,810.57
04/01/2021	391,368.76	382,600.00	8,768.76	7,125.22
04/01/2022	391,706.26	384,000.00	7,706.26	6,109.89
04/01/2023	391,406.26	384,800.00	6,606.26	5,109.72
	3,764,731.36	3,670,422.22	94,309.14	82,945.13

Savings Summary

PV of savings from cash flow	82,945.13
Plus: Refunding funds on hand	2,402.18
Net PV Savings	85,347.31

SAVINGS

Idaho State University
2004B Component

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/11/2012 @ 2.4240099%
04/01/2013	12,256.26	12,836.11	(579.85)	(525.57)
04/01/2014	12,256.26	15,750.00	(3,493.74)	(3,342.97)
04/01/2015	12,256.26	10,600.00	1,656.26	1,560.51
04/01/2016	12,256.26	10,600.00	1,656.26	1,523.36
04/01/2017	12,256.26	10,600.00	1,656.26	1,487.10
04/01/2018	12,256.26	10,600.00	1,656.26	1,451.69
04/01/2019	12,256.26	10,600.00	1,656.26	1,417.13
04/01/2020	12,256.26	10,600.00	1,656.26	1,383.40
04/01/2021	12,256.26	10,600.00	1,656.26	1,350.46
04/01/2022	67,256.26	65,600.00	1,656.26	1,318.31
04/01/2023	219,712.50	218,400.00	1,312.50	1,019.82
	397,275.10	386,786.11	10,488.99	8,643.24

Savings Summary

PV of savings from cash flow	8,643.24
Plus: Refunding funds on hand	(829.96)
Net PV Savings	7,813.28

SUMMARY OF REFUNDING RESULTS

Idaho State University
General Revenue Refunding Bonds, Series 2012

Dated Date	07/11/2012
Delivery Date	07/11/2012
Arbitrage yield	2.424010%
Escrow yield	0.169078%
Bond Par Amount	28,680,000.00
True Interest Cost	2.522581%
Net Interest Cost	2.664450%
Average Coupon	3.971167%
Average Life	6.337
Par amount of refunded bonds	29,525,000.00
Average coupon of refunded bonds	4.725735%
Average life of refunded bonds	6.478
PV of prior debt to 07/11/2012 @ 2.424010%	33,910,050.91
Net PV Savings	2,685,100.45
Percentage savings of refunded bonds	9.094328%
Percentage savings of refunding bonds	9.362275%

SUMMARY OF REFUNDING RESULTS

Idaho State University
1998 Component

Dated Date	07/11/2012
Delivery Date	07/11/2012
Arbitrage yield	2.424010%
Escrow yield	0.080886%
Bond Par Amount	4,865,000.00
True Interest Cost	2.258030%
Net Interest Cost	2.386151%
Average Coupon	3.860479%
Average Life	4.398
Par amount of refunded bonds	5,030,000.00
Average coupon of refunded bonds	4.973035%
Average life of refunded bonds	4.599
PV of prior debt to 07/11/2012 @ 2.424010%	5,640,106.60
Net PV Savings	496,926.74
Percentage savings of refunded bonds	9.879259%
Percentage savings of refunding bonds	10.214321%

SUMMARY OF REFUNDING RESULTS

Idaho State University
2003 Component

Dated Date	07/11/2012
Delivery Date	07/11/2012
Arbitrage yield	2.424010%
Escrow yield	0.159636%
Bond Par Amount	20,665,000.00
True Interest Cost	2.547814%
Net Interest Cost	2.690611%
Average Coupon	3.984050%
Average Life	6.661
Par amount of refunded bonds	21,340,000.00
Average coupon of refunded bonds	4.765339%
Average life of refunded bonds	6.803
PV of prior debt to 07/11/2012 @ 2.424010%	24,706,243.79
Net PV Savings	2,095,013.12
Percentage savings of refunded bonds	9.817306%
Percentage savings of refunding bonds	10.137978%

SUMMARY OF REFUNDING RESULTS

Idaho State University
2004A Component

Dated Date	07/11/2012
Delivery Date	07/11/2012
Arbitrage yield	2.424010%
Escrow yield	0.209118%
Bond Par Amount	2,875,000.00
True Interest Cost	2.551307%
Net Interest Cost	2.694712%
Average Coupon	3.997822%
Average Life	6.920
Par amount of refunded bonds	2,890,000.00
Average coupon of refunded bonds	4.171166%
Average life of refunded bonds	6.982
PV of prior debt to 07/11/2012 @ 2.424010%	3,241,463.59
Net PV Savings	85,347.31
Percentage savings of refunded bonds	2.953194%
Percentage savings of refunding bonds	2.968602%

SUMMARY OF REFUNDING RESULTS

Idaho State University
2004B Component

Dated Date	07/11/2012
Delivery Date	07/11/2012
Arbitrage yield	2.424010%
Escrow yield	0.238169%
Bond Par Amount	275,000.00
True Interest Cost	3.161465%
Net Interest Cost	3.290468%
Average Coupon	3.994342%
Average Life	10.177
Par amount of refunded bonds	265,000.00
Average coupon of refunded bonds	4.625000%
Average life of refunded bonds	10.515
PV of prior debt to 07/11/2012 @ 2.424010%	322,236.93
Net PV Savings	7,813.28
Percentage savings of refunded bonds	2.948408%
Percentage savings of refunding bonds	2.841193%

BOND DEBT SERVICE

Idaho State University
General Revenue Refunding Bonds, Series 2012

Dated Date 07/11/2012
Delivery Date 07/11/2012

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2012	-	-	244,855.55	244,855.55
04/01/2013	1,285,000	2.000%	550,925.00	1,835,925.00
10/01/2013	-	-	538,075.00	538,075.00
04/01/2014	1,965,000	3.000%	538,075.00	2,503,075.00
10/01/2014	-	-	508,600.00	508,600.00
04/01/2015	2,455,000	4.000%	508,600.00	2,963,600.00
10/01/2015	-	-	459,500.00	459,500.00
04/01/2016	2,550,000	4.000%	459,500.00	3,009,500.00
10/01/2016	-	-	408,500.00	408,500.00
04/01/2017	2,650,000	4.000%	408,500.00	3,058,500.00
10/01/2017	-	-	355,500.00	355,500.00
04/01/2018	2,760,000	4.000%	355,500.00	3,115,500.00
10/01/2018	-	-	300,300.00	300,300.00
04/01/2019	2,875,000	4.000%	300,300.00	3,175,300.00
10/01/2019	-	-	242,800.00	242,800.00
04/01/2020	2,455,000	4.000%	242,800.00	2,697,800.00
10/01/2020	-	-	193,700.00	193,700.00
04/01/2021	3,000,000	4.000%	193,700.00	3,193,700.00
10/01/2021	-	-	133,700.00	133,700.00
04/01/2022	3,175,000	4.000%	133,700.00	3,308,700.00
10/01/2022	-	-	70,200.00	70,200.00
04/01/2023	3,510,000	4.000%	70,200.00	3,580,200.00
	28,680,000		7,217,530.55	35,897,530.55

BOND PRICING

Idaho State University
General Revenue Refunding Bonds, Series 2012

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial Bonds:											
	04/01/2013	1,285,000	2.000%	0.700%	100.934		-	-	-	12,001.90	1.250
	04/01/2014	1,965,000	3.000%	1.010%	103.388		-	-	-	66,574.20	2.500
	04/01/2015	2,455,000	4.000%	1.290%	107.224		-	-	-	177,349.20	2.500
	04/01/2016	2,550,000	4.000%	1.510%	108.977		-	-	-	228,913.50	3.250
	04/01/2017	2,650,000	4.000%	1.760%	110.105		-	-	-	267,782.50	3.250
	04/01/2018	2,760,000	4.000%	2.020%	110.646		-	-	-	293,829.60	3.250
	04/01/2019	2,875,000	4.000%	2.220%	111.055		-	-	-	317,831.25	3.750
	04/01/2020	2,455,000	4.000%	2.470%	110.693		-	-	-	262,513.15	3.750
	04/01/2021	3,000,000	4.000%	2.680%	110.202		-	-	-	306,060.00	3.750
	04/01/2022	3,175,000	4.000%	2.830%	109.880		-	-	-	313,690.00	3.750
	04/01/2023	3,510,000	4.000%	3.120%	107.327	C	3.187%	04/01/2022	100.000	257,177.70	3.750
		28,680,000								2,503,723.00	

Dated Date	07/11/2012	
Delivery Date	07/11/2012	
First Coupon	10/01/2012	
Par Amount	28,680,000.00	
Premium	2,503,723.00	
Production	31,183,723.00	108.729857%
Underwriter's Discount	(128,786.58)	(0.449047%)
Purchase Price	31,054,936.42	108.280810%
Accrued Interest	-	
Net Proceeds	31,054,936.42	

BOND SUMMARY STATISTICS

Idaho State University
General Revenue Refunding Bonds, Series 2012

Dated Date	07/11/2012
Delivery Date	07/11/2012
Last Maturity	04/01/2023
Arbitrage Yield	2.424010%
True Interest Cost (TIC)	2.522581%
Net Interest Cost (NIC)	2.664450%
All-In TIC	2.605455%
Average Coupon	3.971167%
Average Life (years)	6.337
Duration of Issue (years)	5.660
Par Amount	28,680,000.00
Bond Proceeds	31,183,723.00
Total Interest	7,217,530.55
Net Interest	4,842,594.13
Total Debt Service	35,897,530.55
Maximum Annual Debt Service	3,650,400.00
Average Annual Debt Service	3,347,956.22

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bonds	28,680,000.00	108.730	3.971%	6.337	11/11/2018	4.093	16,940.15
	28,680,000.00			6.337			16,940.15

	TIC	All-In TIC	Arbitrage Yield
Par Value	28,680,000.00	28,680,000.00	28,680,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	2,503,723.00	2,503,723.00	2,503,723.00
- Underwriter's Discount	(128,786.58)	(128,786.58)	
- Cost of Issuance Expense		(143,400.00)	
- Other Amounts	-	-	-
Target Value	31,054,936.42	30,911,536.42	31,183,723.00
Target Date	07/11/2012	07/11/2012	07/11/2012
Yield	2.522581%	2.605455%	2.424010%

COST OF ISSUANCE

Idaho State University
General Revenue Refunding Bonds, Series 2012

Cost of Issuance	$/1000	Amount
Costs of Issuance (est.)	5.00	143,400.00
	5.00	143,400.00

UNDERWRITER'S DISCOUNT

Idaho State University
General Revenue Refunding Bonds, Series 2012

Underwriter's Discount	$/1000	Amount
Average Takedown	3.30657	94,832.50
Management Fee	0.50000	14,340.00
CUSIP	0.01280	367.00
Dalcomp EOE	0.00872	250.00
Dalcomp System Fee	0.06180	1,772.42
Dalcomp Wire & Service	0.00262	75.00
DTC	0.01743	500.00
Interest on Day Loan	0.02265	649.66
Underwriter's Counsel	0.52301	15,000.00
Travel/Closing/Misc. (est.)	0.03487	1,000.00
	4.49047	128,786.58

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, entered into as of __________ 1, 2012 (the "Agreement"), between Idaho State University (the "Issuer"), and U.S. Bank National Association, as escrow agent (the "Escrow Agent"),

W I T N E S S E T H:

WHEREAS, the Issuer has been duly created and validly exists as an institution of higher education of the State of Idaho organized under the laws of the State of Idaho; and

WHEREAS, the Escrow Agent is a national banking association organized and existing under the laws of the United States, having a principal corporate trust office in Salt Lake City, Utah; and

WHEREAS, the Issuer has previously issued its (i) Student Facilities Fee Refunding and Improvement Revenue Bonds, Series 1998 (the "Series 1998 Bonds"), (ii) General Refunding and Improvement Revenue Bonds, Series 2003 (the "Series 2003 Bonds"); (iii) General Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), and its (iv) General Revenue Bonds, Series 2004B (the "Series 2004B Bonds"); and

WHEREAS, the Issuer desires to refund all of the outstanding Series 1998 Bonds (the "Series 1998 Refunded Bonds") on __________ (the "Series 1998 Refunded Redemption Date"); and

WHEREAS, the Issuer desires to refund certain of the outstanding Series 2003 Bonds, (the "Series 2003 Refunded Bonds") and to redeem the Series 2003 Refunded Bonds on __________ (the "Series 2003 Refunded Redemption Date"), as described below:

The Series 2003 Refunded Bonds

Maturity (April 1)	Principal	Interest Rate
2014**	$1,040,000	5.00%
2015**	1,880,000	5.00
2016**	1,975,000	5.00
2017**	2,070,000	5.00
2018**	2,175,000	5.00
2019**	2,290,000	5.00
2020**	1,875,000	5.00
2021	2,410,000	4.25
2022	2,510,000	4.25
2023	3,115,000	5.00

** Partially refunded.

WHEREAS, the Issuer and desires to refund certain of the outstanding Series 2004A Bonds, (the "Series 2004A Refunded Bonds") and to redeem the Series 2004A Refunded Bonds on __________ (the "Series 2004A Refunded Redemption Date"), as described below:

The Series 2004A Refunded Bonds

Maturity (April 1)	Principal	Interest Rate
2015	$275,000	4.000%
2016	285,000	4.000
2017	295,000	4.000
2018	305,000	4.000
2019	320,000	4.000
2020	330,000	4.125
2021	345,000	4.250
2022	360,000	4.250
2023	375,000	4.375

WHEREAS, the Issuer and desires to refund certain of the outstanding Series 2004B Bonds, (the "Series 2004B Refunded Bonds") and to redeem the Series 2004B Refunded Bonds on __________ (the "Series 2004B Refunded Redemption Date"), as described below:

The Series 2004B Refunded Bonds

Maturity (April 1)	Principal	Interest Rate
2023	$265,000	4.625%

; and

WHEREAS, the Issuer has determined to refund the Series 1998 Refunded Bonds, the Series 2003 Refunded Bonds, the Series 2004A Refunded Bonds, and the Series 2004B Refunded Bonds (collectively, the "Refunded Bonds") (among others) by issuing $__________ aggregate principal amount of its General Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds") to be issued pursuant to a Resolution adopted by the (the "Issuer") on September 17, 1992, as amended and restated on August 12, 2004, and as supplemented by a Supplemental Resolution of the Issuer adopted on __________, ___________, 2012 (collectively, the "Resolution"); and

WHEREAS, the refunding of the Refunded Bonds will be accomplished by causing to be deposited with the Escrow Agent proceeds of the Series 2012 Bonds in the amount of $__________, which is sufficient to pay when due, the principal of and interest on all of (i) the Series 1998 Refunded Bonds through the redemption thereof on the Series 1998 Refunded Bonds Redemption Date; (ii) the Series 2003 Refunded Bonds through the redemption thereof on the Series 2003 Refunded Bonds Redemption Date; (iii) the Series 2004A Refunded Bonds through the redemption thereof on the Series

2004A Refunded Bonds Redemption Date; and (iv) the Series 2004B Refunded Bonds through the redemption thereof on the Series 2004B Refunded Bonds Redemption Date; and

WHEREAS, the Issuer and the Escrow Agent, acting in its capacity as escrow agent, desire to enter into this Agreement to provide for the taking of certain actions so as to accomplish the refunding of the Refunded Bonds with proceeds of the Series 2012 Bonds;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. The Escrow Agent hereby accepts the Escrow Fund (hereinafter described) created hereunder and acknowledges receipt from the Issuer of the sum of $__________ from proceeds of the Series 2012 Bonds, $__________ of which shall be used to purchase obligations of the United States of America–State and Local Government Series (the "Government Obligations," described in Exhibit A hereto) and the remaining $_____ to be deposited as a cash deposit. The Government Obligations and cash shall be deposited in the Escrow Fund hereinafter defined, in accordance with the terms of the Resolution.

Section 2. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the "Idaho State University General Revenue Refunding Bonds, Series 2012, Escrow Fund" (the "Escrow Fund") to be held by the Escrow Agent, acting as escrow agent, as a trust fund for the benefit of the holders of the Refunded Bonds. The Escrow Fund shall be held by the Escrow Agent separate and apart from other funds of the Issuer or the Escrow Agent.

Section 3. All costs and expenses related to the issuance of the Series 2012 Bonds and the refunding of the Refunded Bonds shall be paid by the Issuer as provided in the Resolution.

Section 4. The Escrow Agent, acting in its capacity as escrow agent, agrees that the total principal amount of the Government Obligations will be held in trust for the holders of the Refunded Bonds and irrevocably agrees to apply said principal amount to the payment of the principal, premium, if any, and interest requirements on the Refunded Bonds through their final maturities or prior redemption date.

Section 5.

(a) The Escrow Agent agrees to transfer funds to the paying agent(s) of the Refunded Bonds to pay principal of and interest on the Refunded Bonds as aforesaid notwithstanding any failure by the Issuer to pay when due any further fees or expenses of the Escrow Agent or any Paying Agent relating to the Refunded Bonds. It is expressly understood that any such fees or expenses incurred by the Escrow Agent acting as escrow agent will be reimbursed by the Issuer as provided in this Section 5 and in Section 11 hereof.

(b) The Issuer agrees to pay to the Escrow Agent upon the execution and delivery of this Agreement such amounts as may be necessary to pay the fees and expenses of the Escrow Agent acting as escrow agent.

Section 6. Except as provided in Section 7 hereof, the Escrow Agent shall not have power or duty to invest any funds held under this Agreement or to sell, transfer, or otherwise dispose of or make substitutions of the Government Obligations.

Section 7.

(a) This Agreement may be amended or supplemented, the Government Obligations or any portion thereof or proceeds thereof sold, redeemed, invested, or reinvested, or proceeds thereof disbursed, in any manner (any such amendment, supplement, or direction to sell, redeem, invest, or disburse to be referred to as a "Subsequent Action"), upon submission to the Escrow Agent of each of the following:

(i) A certified copy of the proceedings of the Issuer authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the Issuer.

(ii) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Series 2012 Bonds or Refunded Bonds to become taxable under the laws of the United States of America providing for taxation of income nor violate the covenants of the Issuer nor to cause the Series 2012 Bonds or the Refunded Bonds to become "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Series 2012 Bonds or Refunded Bonds.

(iii) An independent report to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal of and interest on the Refunded Bonds after the taking of the Subsequent Action.

(b) Except as provided in Paragraph (a) hereof, all of the rights, powers, duties, and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

(c) Except as provided in Paragraph (a) hereof, all of the rights, powers, duties, and obligations of the Issuer hereunder shall be irrevocable and shall not be subject to amendment by the Issuer and shall be binding on any successor to the officials now comprising the members of the Issuer during the term of this Agreement.

Section 8. The Issuer hereby irrevocably instructs the Escrow Agent to direct the paying agent for the Refunded Bonds (the "Paying Agent") to mail a notice in substantially the form attached hereto as Exhibit B, to the holders of the Refunded Bonds, the Municipal Securities Rulemaking Board, and the Bond Insurer for the Refunded Bonds that provisions for the retirement of all of the Refunded Bonds have been made as provided in this Agreement. Such notice shall be mailed by the Paying Agent as required and in accordance with the provisions of the proceedings which authorized the issuance of the Refunded Bonds as soon as practicable after the execution and delivery hereof.

Section 9. The Issuer hereby irrevocably elects that the Refunded Bonds be called for redemption on their respective Redemption Dates, at a redemption price of one hundred percent (100%) of the principal amount thereof to be redeemed plus accrued interest to the date of redemption.

The Issuer hereby irrevocably directs the Escrow Agent to instruct the Paying Agent for the Refunded Bonds on behalf of the Issuer, to mail notice of redemption of the Refunded Bonds as provided in the Resolution. All moneys on deposit in the Escrow Fund shall be transferred by the Escrow Agent to the paying agent of the Refunded Bonds to effectuate such redemption. Thereafter, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to the Issuer. The Escrow Agent shall not invest or reinvest any of the funds or securities so transferred.

The notice of redemption shall be substantially the form set forth as Exhibit C hereto.

Section 10. The Escrow Fund created hereby shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal and all amounts representing interest on the Government Obligations in the Escrow Fund until used and applied in accordance herewith.

Section 11.

(a) The Escrow Agent shall be compensated for its reasonable fees, expenses, and disbursements, including legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Issuer for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim for any such payment under the Resolution, and that it has no lien on the moneys in the Escrow Fund for any such payment.

(b) The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt of advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

(c) The Escrow Agent may act relative hereto in reliance upon advice of nationally recognized bond counsel in reference to any matter connected herewith, and shall not be liable for any mistake of fact or error of judgment, or for any acts or omissions of any kind, unless caused by its willful misconduct or gross negligence.

(d) The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) it has given thirty (30) days written notice to the Issuer of such resignation; (ii) the Issuer has appointed a successor to the Escrow Agent hereunder; (iii) the Escrow Agent and the Issuer have received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (iv) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, Government Obligations, moneys and investments held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the Issuer of the written notice described in clause (i) above, the Issuer shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible.

(e) If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event, the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within sixty (60) days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Idaho, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Idaho, having a combined capital and surplus of at least $25,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge, and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers, and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers, and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (i) the requirements of this Section 12(e) are satisfied; (ii) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (iii) all of the Government Obligations and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

<u>Section 12.</u> The liability of the Escrow Agent to transfer funds for the payment of the principal of an interest on the Refunded Bonds shall be limited to the proceeds of the Government Obligations and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Government Obligations to make timely payment thereon, except for the obligation to notify the Issuer promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Series 2012 Bonds shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect, or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its gross negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

Section 13. This Agreement shall terminate when the principal of and interest and redemption premium, if any, on all Refunded Bonds has been paid; provided, that moneys held by the Escrow Agent in the Escrow Fund for the payment and discharge of any of the Refunded Bonds which remain unclaimed for four (4) years after the date when all of the Refunded Bonds shall have become due and payable, either at their stated maturity dates or by call for earlier redemption, shall, at the written request of the Issuer, be repaid by the Escrow Agent to the Issuer as its absolute property and free from the trust created by this Agreement. After the redemption of the final Refunded Bonds on May 1, 2013, any remaining funds shall be remitted to the Issuer by the Escrow Agent. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto.

Section 14. Except as otherwise provided in Section 7 hereof, this Agreement shall not be repealed, revoked, rescinded, altered, amended, or supplemented in whole or in part without (i) the written consent of the holders of one hundred percent (100%) in principal amount of the unpaid Refunded Bonds at the time such action is made, and (ii) the written consent of the Escrow Agent; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to the holders of the unpaid Refunded Bonds enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement; or

(b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 14, including the extent, if any, to which any change, modification, addition, or elimination affects the rights of such holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 14.

Section 15. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

IDAHO STATE UNIVERSITY

(SEAL)

By:___________________________________
Chair

ATTEST:

By:___________________________________
Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By:___________________________________
Authorized Officer

EXHIBIT A

GOVERNMENT OBLIGATIONS

Principal Amount	Interest Rate	Maturity Date
	%	

EXHIBIT B

FORM OF NOTICE OF REFUNDING

IDAHO STATE UNIVERSITY
[STUDENT FACILITIES FEE REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 1998]
[GENERAL REFUNDING AND IMPROVEMENT BONDS, SERIES 2003]
[GENERAL REVENUE BONDS, SERIES 2004A]
[GENERAL REVENUE BONDS, SERIES 2004B]

Maturing as follows:

Maturity Date (___________)	Principal Amount	Interest Rate

NOTICE IS HEREBY GIVEN that for the payment of the principal and premium, if any, and the interest on all of the outstanding bonds of the above-designated series (the "Bonds"), there have been deposited in escrow with U.S. Bank National Association (the "Escrow Agent"), moneys which, except to the extent maintained in cash, have been invested in United States Treasury Obligations which are direct obligations of the United States of America. The projected principal payments to be received from such Treasury Obligations and the projected interest income therefrom and such cash have been calculated to be sufficient to pay the interest requirements on the Bonds when due through and including the prior redemption date of the Bonds on ___________ (the "Redemption Date"), the date on which the Idaho State University has elected to redeem all the Bonds then outstanding at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the Redemption Date.

In accordance with the terms of a Resolution adopted by the Idaho State University (the "Issuer") on September 17, 1992, as amended and restated on August 12, 2004, and as supplemented by a Supplemental Resolution of the Issuer adopted on __________, 20___, pursuant to which the Bonds were issued, the Bonds are deemed to have been paid.

DATED this _______________, 2012.

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By:____________________________________

Its:____________________________________

EXHIBIT C

NOTICE OF REDEMPTION

IDAHO STATE UNIVERSITY
[STUDENT FACILITIES FEE REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 1998]
[GENERAL REFUNDING AND IMPROVEMENT BONDS, SERIES 2003]
[GENERAL REVENUE BONDS, SERIES 2004A]
[GENERAL REVENUE BONDS, SERIES 2004B]

Mailing Date: ______________, 20___

CUSIP NO.__________

Notice is hereby given that pursuant to a Resolution adopted by the Idaho State University (the "Issuer") on September 17, 1992, as amended and restated on August 12, 2004, and as supplemented by a Supplemental Resolution of the Issuer adopted on __________, 20___, the Issuer has called and does hereby call for redemption on __________ (the "date fixed for redemption"), its ___________, maturing on and after ____________ (the "Bonds"), at the redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest on the Bonds to the date fixed for redemption.

The Bonds were originally scheduled to mature on the dates and in the amounts, and bear interest at the rates as follows:

Maturity Date (___________)	Principal Amount	Interest Rate

The principal amount of each Bond shall be paid on or after the date fixed for redemption upon surrender of such Bond as set forth below.

Payment of interest on any Bond shall be made to the registered owner thereof and shall be paid by check or draft mailed to such registered owner at such owner's address as it appears in the registration books of the Issuer.

Bonds shall be surrendered to the Paying Agent, at the following address:

If surrendered by mail: ____________________________
____
____
____

If surrendered by hand: ____________________________
____
____
____

Notice is further given that (i) the Issuer has caused to be deposited in escrow with U.S. Bank National Association, as escrow agent, certain moneys and U.S. Treasury Securities, the maturing principal amount of which and interest on such obligations are sufficient along with such moneys to pay the redemption price of the Bonds, and (ii) on the date fixed for redemption the redemption price will become due and payable upon the Bonds and the Bonds shall cease to bear interest from and after the date fixed for redemption.

Under the Interest and Dividend Tax Compliance Act of 1983, the Trustee may be required to withhold a specified percentage of any gross payments made to certain owners who fail to provide the Trustee with, and certify under penalties of perjury, a correct taxpayer identification number (employer identification number or Social Security number, as appropriate) or an exemption certificate on or before the date the Bonds are presented for payment. Each Bondholder should provide the appropriate certification when presenting Bonds for payment, unless the appropriate certificate has previously been provided.

Given by order of the Issuer this _____ day of __________.

______________________, as Paying Agent

By:___________________________________

Title:_________________________________

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IDAHO STATE UNIVERSITY

SUBJECT

Athletic outdoor practice field renovation project

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

Idaho State University (ISU) requests approval to add to the 2013 Six-Year Capital Plan, the replacement of grass turf of approximately 81,906 square feet with outdoor synthetic turf at the practice field south of Holt Arena. Renovation of the existing field is a fundamental building block to providing the football program with every component needed for success. Replacing the existing natural grass with field turf will also allow the soccer, softball, golf, and track and field programs access to a year round practice field. In addition, strength and conditioning may be held year round for other sports such as basketball and volleyball. This will also provide a venue to practice when current venues are being used for other events.

The current practice field is uneven and in marginal condition. Maintenance costs for the existing practice field, including mowing, trimming, weeding and watering, have exceeded $30,000 per year. By installing synthetic turf maintenance costs for the field and surrounding area will be significantly less. ISU proposes to use the Hellas turf system in order to use the maintenance vehicles and equipment that were recently purchased for the Holt Arena indoor turf. Installation of perimeter fencing will prolong the life of the field and help reduce the risk of vandalism.

IMPACT

Preliminary project budget and financing plan follow:

Site and field preparation	180,000
Synthetic turf and installation	550,000
Misc (fencing, tower, sprinkler, signage)	100,000
Planning, design, and study	140,000
Contingency	150,000
Sub-total	1,110,000

The funding source is a combination of gift in kind and private donations.

ATTACHMENTS

Attachment 1 – ISU's 2013 Six-Year Capital Outlay Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD ACTION

I move to approve Idaho State University's six-year capital construction plan as amended and to authorize the University to proceed with planning and design for an athletic outdoor practice field renovation project for a cost not to exceed $140,000.

Moved by ___________ Seconded by ___________ Carried Yes _____ No _____

Idaho State
UNIVERSITY

Attachment 1

Six-Year Capital Outlay Modification Request

Capital Improvement Budget Request FY 2013

Location	Description	Budget	Priority	Running Total
College of Education	Remodel basement of Education Building	1,300,000	1	1,300,000
Beckly Nursing	Asbestos mitigation, replace ceiling system and lights.	1,100,000	2	2,400,000
ISU Meridian	Cadaver Room	1,500,000	3	3,900,000
Pocatello - various	Campus wide - Internal Notification System,	1,400,000	4	5,300,000
Oboler Library	Replace HVAC/duct work, ceiling, seismic compliance	6,000,000	5	11,300,000
NE Campus at Holt	Athletic outdoor practice field renovation project	1,500,000	6	12,800,000

Six Year Capital Improvement Budget Request

Description	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
College of Education - Remodel basement of	1,300,000					
Beckley Nursing – Asbestos mitigation, replace ceiling system and lights.	1,100,000					
ISU Meridian - Cadaver Room	1,500,000					
Campus wide - Internal Notification System,	1,400,000					
Obler Library - replace HVAC/duct work, ceiling, seismic compliance	6,000,000					
Athletic outdoor practice field renovation project	1,500,000					
Complete renovation ISU-Meridian Phase 3		12,420,000				
Remodel LEL second floor for additional labs		1,050,000				
Campus Housing Renovations & Remodeling		10,000,000				
New Museum of Natural History			22,444,000			
Engineering Research Complex Renovation - Phase 3			2,036,000			
Renovation/Addition of Life Sciences				40,885,920		
Reroute campus traffic					8,000,000	
Addition to Beckley Nursing						14,208,000
Addition to College of Engineering						12,000,000
Renovation of College of Business – front entry						1,300,000
	~~11,300,000~~ 12,800,000	23,470,000	24,480,000	40,885,920	8,000,000	27,508,000

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UNIVERSITY OF IDAHO

SUBJECT

Convey a Deed of Dedication for property owned by the Regents to the City of Moscow to repair and improve an existing public street entering campus

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.5.b(3)

BACKGROUND/DISCUSSION

The City of Moscow is proposing to improve and reconstruct the College Street entrance to the University of Idaho (UI) this summer. The road is currently deteriorated, but it still serves as a vehicle and pedestrian entrance to campus. The proposed project would improve pavement condition, remove abandoned railroad tracks and add pedestrian and bike safety features. The project will also place currently overhead utilities underground to improve safety and aesthetics.

To complete the designed project, the City must utilize about 2,268 square feet of fronting Regents' property that is vacant and adjoins recent stream restoration work. An additional 62 square feet needed for the project is currently used as a parking lot at the Art & Architecture East Building. In addition to constructing sidewalks and curbs along UI frontage on both sides of College St, some of the right of way work will result in the reconfiguration of an existing University parking lot that will replace and improve existing landscaping and parking spaces primarily serving the Art & Architecture East Building.

The City's proposed College Street project is budgeted at $912,000. The University will not pay for any of these improvements, but with approval from the Regents will dedicate the 0.053 acres of land to accommodate the reasonable alignment of these street improvements in a manner that benefits the University interests in improving access and associated infrastructure.

The University did not hire an independent appraisal, but in consideration of the public, campus-related improvements derived from this project, and the characteristics of the subject property, University staff determined that the land values applied by the Latah County Assessor's Office represented a sufficient and cost effective estimate of land value to satisfy the disposal requirements of Section 53-335, Idaho Code. Using the local Assessor's Office estimate of neighborhood commercial land values for parcels over 100,000 sf, and considering the fact that the dedication would only slightly reduce the size of two large University parcels, University staff determined that the dedication would diminish the value to the University's retained parcels by approximately $10,415. University staff concluded this diminishment is more than compensated by the value of the road improvements to the campus entrance and the improvement of the small University-controlled parking lot.

IMPACT

The University will not pay any construction costs for this improvement project. The University will not receive payment for the 2,330 square feet of land dedicated to the project; however students, staff and visitors will benefit from the improved access to campus and repair and replacement of campus-related public infrastructure.

ATTACHMENTS

Attachment 1 - Proposed Deeds of Dedication	Page 3
Attachment 2 - Design Drawing	Page 9

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends approval.

BOARD ACTION

I move to approve deeds of dedication to the City of Moscow in substantial conformance to the forms submitted to the Board in Attachment 1, and to authorize the University's Vice President for Finance and Administration to execute these documents.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

DEED OF DEDICATION

The University of Idaho, by and through its Board of Regents, GRANTOR, for value received, do hereby convey and dedicate unto the CITY OF MOSCOW, IDAHO, an Idaho municipal corporation, GRANTEE, 206 East Third Street, Moscow, Idaho 83843, for public street, public utilities, and customary related public uses, the following described real property situated in the County of Latah, State of Idaho, to-wit:

A portion of a parcel of land owned by the University of Idaho as described in Quitclaim Deed No.495406, records of Latah County, situated in the north half of the northeast quarter of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, as shown on the attached Exhibit 'A', and more particularly described as follows:

> Commencing at the northeast corner of said Section 18, from which the north quarter corner of said Section bears S87°45'17"W 2673.50 feet; thence along the north line of said northeast quarter, S87°45'17"W, 1276.12 feet; thence S36°38'03"E 38.64 feet to the intersection of the northeasterly line of the NPRR right-of-way with the south right-of-way line of Sixth Street, said point being the northeast corner of said University of Idaho parcel; thence along the easterly boundary of said parcel, S36°38'03"E 1023.31 feet to the northerly right-of-way line of College Street and the TRUE POINT OF BEGINNING; thence along said right-of-way line, S53°27'42"W 64.76 feet; thence N88°48'51"W 101.27 feet along the northerly boundary of a parcel of land conveyed to the City of Moscow for use as College Street right-of-way by Quitclaim Deed No.495434, records of said Latah County; thence leaving said boundary N01°11'09"E 17.45 feet; thence S88°48'51"E 69.93 feet; thence easterly 86.18 feet along a curve to the left having a radius of 157.76 feet, a central angle of 31°17'50", and a chord bearing N75°32'14"E, 85.11 feet to the easterly boundary of said University of Idaho parcel; thence along said easterly boundary S36°38'03"E 0.99 feet to the TRUE POINT OF BEGINNING. Said portion contains 2268 square feet, more or less.

IN WITNESS THEREOF, GRANTOR has hereunto set his hand and seal this

____________day of _____________________, 2012.

GRANTOR: REGENTS OF THE UNIVERSITY OF IDAHO

By: __________________________________

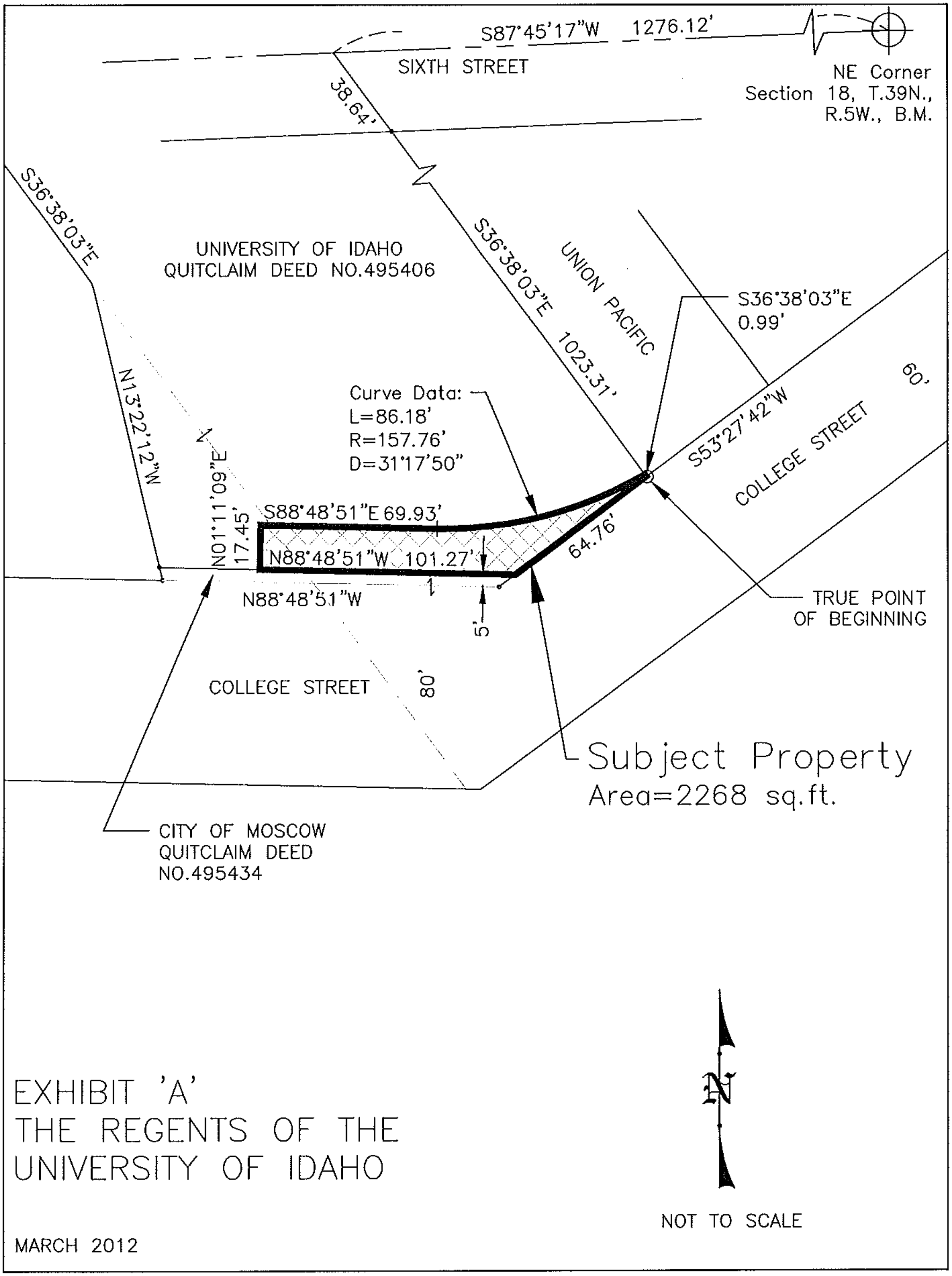
Dr. Ronald E. Smith
Vice President, Finance and Administration

ACKNOWLEDGEMENTS

STATE OF IDAHO)
: ss.
County of Latah)

On this ______ day of__________________, 2012, before me, a Notary Public, personally appeared Dr. Ronald E. Smith, in his official capacity of Vice President for Finance and Administration, and agent for the University of Idaho Board of Regents, known to me to be the person named above, and acknowledged to me that he executed the foregoing document.

____
Notary Public for the State of Idaho
Residing at ___________________________
My Commission Expires:_______________



S87°45'17"W 1276.12'
SIXTH STREET
NE Corner
Section 18, T.39N.,
R.5W., B.M.
38.64'
S36°38'03"E
UNIVERSITY OF IDAHO
QUITCLAIM DEED NO.495406
S36°38'03"E 1023.31'
UNION PACIFIC
S36°38'03"E
0.99'
60'
S53°27'42"W
COLLEGE STREET
N13°22'12"W
Curve Data:
L=86.18'
R=157.76'
D=31°17'50"
N01°11'09"E
17.45'
S88°48'51"E 69.93'
N88°48'51"W 101.27'
64.76'
N88°48'51"W
5'
TRUE POINT
OF BEGINNING
COLLEGE STREET
80'
Subject Property
Area=2268 sq.ft.
CITY OF MOSCOW
QUITCLAIM DEED
NO.495434
EXHIBIT 'A'
THE REGENTS OF THE
UNIVERSITY OF IDAHO
N
NOT TO SCALE
MARCH 2012

DEED OF DEDICATION

The University of Idaho, by and through its Board of Regents, GRANTOR, for value received, do hereby convey and dedicate unto the CITY OF MOSCOW, IDAHO, an Idaho municipal corporation, GRANTEE, 206 East Third Street, Moscow, Idaho 83843, for public street, public utilities, and customary related public uses, the following described real property situated in the County of Latah, State of Idaho, to-wit:

A portion of a parcel of land owned by the University of Idaho as described in Warranty Deed No.412758, records of Latah County, situated in the northeast quarter of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, as shown on the attached Exhibit 'A', and more particularly described as follows:

> Commencing at the intersection of the south right-of-way line of College Street with the east right-of-way line of Railroad Street; thence along said south right-of-way line of College Street, N89°58'07"E 229.60 feet to the northwest corner of said University of Idaho parcel; thence continuing N89°58'07"E 49.90 feet to an angle point in said right-of-way line; thence continuing along said right-of-way line, N52°15'38"E 37.93 feet to the TRUE POINT OF BEGINNING; thence N52°15'38"E 16.46 feet to the northeast corner of said parcel; thence leaving said right-of-way line, S37°41'22"E 7.19 feet along the easterly line of said parcel; thence westerly 17.96 feet, along a curve to the right, said curve having a radius of 241.76 feet, a central angle of 4°15'25", and a chord bearing S75°52'42"W 17.96 feet, to the TRUE POINT OF BEGINNING. Said portion contains 62 square feet, more or less.

IN WITNESS THEREOF, GRANTOR has hereunto set his hand and seal this

____________day of ____________________, 2012.

GRANTOR: REGENTS OF THE UNIVERSITY OF IDAHO

By: ________________________________
Dr. Ronald E. Smith
Vice President, Finance and Administration

ACKNOWLEDGEMENTS

STATE OF IDAHO)
: ss.
County of Latah)

On this ______ day of_________________, 2012, before me, a Notary Public, personally appeared Dr. Ronald E. Smith, in his official capacity of Vice President for Finance and Administration, and agent for the University of Idaho Board of Regents, known to me to be the person named above, and acknowledged to me that he executed the foregoing document.

____
Notary Public for the State of Idaho
Residing at ______________________
My Commission Expires: ____________

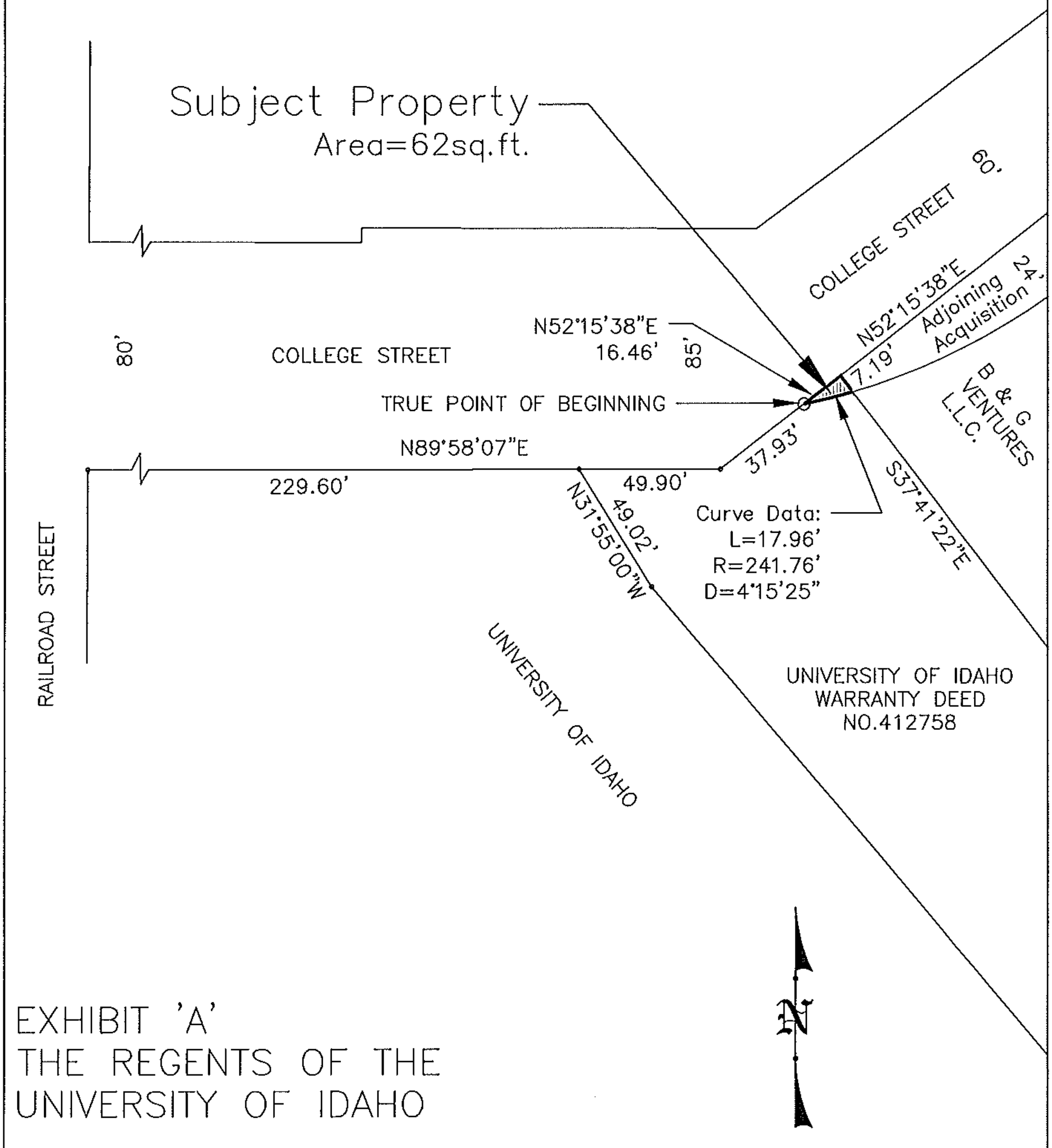


EXHIBIT 'A'
THE REGENTS OF THE
UNIVERSITY OF IDAHO

NOT TO SCALE

MARCH 2012

SIGNED AND DATED
PROFESSIONAL ENGINEER
LICENSED
14816
STATE OF IDAHO
BRIAN SCOTT BONTRAGER
PRELIMINARY
DATE
DRAWN BY:
CHK'D. BY:
COLLEGE SREET
RECONSTRUCTION
PROPOSED CONCEPT
PROJECT NO. ID-116-011
SCALE: 1" = 40'
DATE: 2-2012
DRAWN BY: BSB RHBIII
CHK'D. BY: K. LILLY
CITY OF MOSCOW
ENGINEERING DEPARTMENT
MOSCOW, IDAHO
SHEET X OF X

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UNIVERSITY OF IDAHO

SUBJECT

Dependent Tuition and Fee Benefit

REFERENCE

December 2010	Board approved two-year pilot dependent fee program for BSU

APPLICABLE STATUTE, RULE, OR POLICY

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

BACKGROUND/DISCUSSION

The University of Idaho faculty proposes a change in the University benefits to allow for a dependent educational tuition and fee reduction benefit.

The dependent educational tuition and fee reduction benefit would provide a 50% reduction in resident student tuition and fees for dependents of eligible employees enrolled in University of Idaho undergraduate or graduate academic credit courses. No other fees are waived by this benefit. For example, the benefit would not include additional fees associated with specific courses (e.g., web-based courses), specific academic programs (e.g., professional fees), or specific services (e.g., insurance or student activities). The benefit also would not apply to noncredit courses, intersession or summer session courses, continuing education courses, or courses offered through, but not limited to, Independent Study in Idaho, the College of Law, the Executive MBA Program, the Doctorate of Athletic Training, Professional Practices Doctorate, the McCall Outdoor Science School, or the WWAMI Medical Program. There is no limitation on the number of credits that may be taken per semester.

A board-appointed University employee on regular appointment who works at least half-time (including those on official leave) is eligible for the dependent educational tuition reduction benefit. A dependent may receive the benefit if the employee is eligible on the first day of the academic term. Only a single dependent per household at a time is eligible for this benefit.

An eligible dependent:

(a) must be an admitted student who has met all normal academic requirements for the course(s) taken;
(b) may receive only one 50% dependent educational tuition and fee reduction per semester, and may use the tuition and fee reduction benefit for a maximum of eight semesters (applies to both full and part time students);
(c) of an employee whose employment terminates due to death or permanent disability shall continue to be eligible for this

program until the dependent meets one of the below, whichever comes first:

- completes a degree
- reaches the maximum number of eight semesters

In accordance with University of Idaho policies, the policy change proposals first went to the Faculty Senate for review and approval and then were presented to the full faculty. Approval of the full faculty occurred in conjunction with the April 24, 2012, General Faculty Meeting. These policy changes were then presented to the president of the University who has approved them and now presents them to the Regents for approval.

IMPACT

The attached spreadsheet represents a cost estimate for the dependent tuition benefit. It is based on two simple premises.

1. A very small increase in enrollment (between 20 and 40 students) results in a modest increase in instructional costs. The Office of Planning and Budget estimates this cost to be around $50,000. (Note that this is far less than the amount of tuition generated by these students.)
2. The state of Idaho pays $8,064 dollars per resident student.

Based on these two premises, we conclude the following: if the dependent tuition benefit results in an increase in enrollment among University of Idaho dependents of (approximately) 35 student then the added tuition revenue from this increase in enrollment will more than make up for the loss of tuition revenue from the tuition reduction.

Thus if we can absorb a few extra students with minimal increase in instructional costs, those added students will more than pay for the benefit.

However, the state of Idaho does not always pay for increased enrollment based on the enrollment adjustment formula. In the years when the State does not pay for increased enrollment, an increase in students due to this program will result in a net loss of revenue for the University. An alternative projection, based on this assumption, suggests that the dependent tuition program could cost upwards of around $200,000 of lost revenue, assuming these dependents would have otherwise attended the University and paid full tuition and fees. However, the University believes that the benefit of the reduced tuition and fee as a recruitment and retention tool for quality faculty and staff more than outweighs the opportunity cost of this potential loss of revenue.

ATTACHMENTS

STAFF COMMENTS AND RECOMMENDATIONS

In December 2010 the Board approved a request by Boise State University to pilot a dependent fee program for two years which would provide sufficient data upon which to conduct a cost-benefit analysis. At the time, Board Staff recommended the Board consider the following policy and management issues:

1. While a dependent fee is not unreasonable, it could place pressure on the other institutions to offer the same type of benefit. Each institution has its own unique budgetary and human resource needs and priorities, but regardless, their employees still may very well desire to have access to substantially similar benefits as those offered at a sister institution.
2. Upon what criteria or metrics will the efficacy of the program be measured or evaluated?
3. What pressures will this program place on enrollment and course availability?
4. In this budget environment the Board and the institution must weigh the cost of foregone revenue against the benefit of providing the university with a new recruitment and retention tool.

These questions are still largely germane as applied to UI's request. The UI provided an extensive cost analysis which addresses the issues identified in #3 and #4.

UI intends for this to be a qualified Educational Assistance Program under Internal Revenue Code Section 127 in which "an educational organization can exclude the value of a qualified tuition reduction it provides to an employee from the employee's wages.

A tuition reduction for undergraduate education generally qualifies for this exclusion if it is for the education of one of the following individuals:

1. A current employee.
2. A former employee who retired or left on disability.
3. A widow or widower of an individual who died while an employee.
4. A widow or widower of a former employee who retired or left on disability.
5. A dependent child or spouse of any individual listed in (1) through (4) above.

A tuition reduction for graduate education qualifies for this exclusion only if it is for the education of a graduate student who performs teaching or research activities for the educational organization." (IRS Publication 15-B)

This exclusion from an employee's gross income may not exceed $5,250 per calendar year. Qualified education expenses include: tuition, fees, books, and supplies.

Staff recommends approval.

BOARD ACTION

I move to waive Board policy V.R.3. and to approve the request by the University of Idaho to create a Dependent Tuition and Fee Benefit as set forth in Attachment 2 as submitted to the Board.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

Dependent Fee Benefit Fiscal Impact Analysis

	Local area high school graduates	Estimated fraction of UI dependents from a graduating class	Estimated number of UI dependents from a graduating class	Estimated fraction of UI dependents that enroll at UI as freshmen	Estimated number of UI dependents that enroll as freshmen		Estimated number of total UI dependents enroll at UI*	UI Fees per student	Revenue generated by UI dependents from fees	State appropriation per student	Revenue generated by UI dependents from state funds	Total revenue generated by UI dependents
without dependent benefit	185	0.6	111	0.3	33	3.4	113	$5,856	$661,728	$8,064	$911,232	$1,572,960
with dependent benefit	185	0.6	111	0.38738739	43	3.4	148	$2,928	$433,344	$8,064	$1,193,472	$1,626,816
difference between without and with benefit									($228,384)	$0	$282,240	$53,856
Instructional Costs												($50,400)
net profit from increased enrollment paying for benefit												$3,456
total number of additional employee dependent students needed to pay for program							35					
Percent increase needed to pay for the program							0.30973451					

*The estimated number of UI dependents attending UI is based on a 90 percent retention rate for UI dependents over a four year period. Of course a lower retention rate will result in fewer UI dependents participating in the fee reduction program.

The Idaho Legislature does not always pay for increased enrollment. Below is an alternative cost analysis based on this assumption.

current	113	$5,856	$661,728	$8,064	$911,232	$1,572,960
Proposed II	113	$2,928	$330,864	$8,064	$911,232	$1,242,096
	35	$2,928	$102,480	$2,244	$78,540	$181,020
total Proposed	148		$433,344		$989,772	$1,423,116
difference			($228,384)			($149,844)
instructional costs						($50,500)
total cost under Proposal II						($200,344)

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3780 - DEPENDENT EDUCATIONAL TUITION AND FEE REDUCTION

Preamble: This policy was created in 2012 with employee recruitment and retention purposes in mind as well as improving the culture and climate at the University.

A. General: The dependent educational tuition and fee reduction benefit (benefit) is a 50% reduction in residential (in-state) student tuition and fees for dependents of eligible employees enrolled in University of Idaho undergraduate or graduate academic credit courses. No other fees are waived by this benefit; for example, the benefit does not include additional fees associated with specific courses (e.g., web-based courses), specific academic programs (e.g., professional fees), or specific services (e.g., insurance or student activities). The benefit does not apply to noncredit courses, intersession or summer session courses, continuing education courses, or courses offered through, but not limited to, Independent Study in Idaho, the College of Law, the Executive MBA Program, the Doctorate of Athletic Training, Professional Practices Doctorate, the McCall Outdoor Science School, or the WWAMI Medical Program. There is no limitation on the number of credits that may be taken per semester.

B. Employee: A board-appointed University employee on regular appointment who works at least half-time (including those on official leave) is eligible for the dependent educational tuition reduction benefit. A dependent may receive the benefit if the employee is eligible on the first day of the academic term. Only a single dependent per household at a time is eligible for this benefit.

C. Dependent: A dependent of a University employee is eligible as defined by the Federal income tax code, Section 152. The University reserves the right to request copies of tax returns or other supporting documentation.

C-1. An eligible dependent:

(a) must be an admitted student who has met all normal academic requirements for the course(s) taken;

(b) may receive only one 50% dependent educational tuition and fee reduction per semester, and may use the tuition and fee reduction benefit for a maximum of eight semesters (applies to both full and part time students);

(c) of an employee whose employment terminates due to death or permanent disability shall continue to be eligible for this program until the dependent meets one of the below, whichever comes first:

- completes a degree
- reaches the maximum number of eight semesters

D. Application: Applications require approvals/signatures of the employee, the dependent, and Human Resources. Applications must be filed before tuition is paid for the semester in which the benefit will be applied. The benefit is not automatically renewed; it must be applied for each semester. Fraudulent certification of dependent eligibility by an employee is grounds for discharge and the employee shall be required to repay all costs associated with the benefit.

E. Termination: If an employee's appointment is terminated during a semester for which the employee's dependent is registered for academic work under this policy, the academic work must be terminated unless the applicable tuition is paid, except in the case where employment is terminated due to death or permanent disability.

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