

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

Friday, September 14, 2012

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 1:05 p.m. at Indiana University, Indiana Memorial Union, Frangipani Room, Main Level, 900 East 7th Street, Bloomington, IN, with Chair Marilyn Moran-Townsend presiding.

ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Gerald Bepko, Dennis Bland, Carol D’Amico, Jud Fisher, Chris LaMothe, Marilyn Moran-Townsend, Chris Murphy, Eileen O’Neill Odum, Dan Peterson, George Rehnquist, Hannah Rozow, Kent Scheller, and Mike Smith.

Members Absent: Susana Duarte de Suarez.

CHAIR’S REPORT

Ms. Moran-Townsend introduced Mr. Dan Peterson as a new Commission member. Mr. Peterson works in Cook Group, Inc., and will be representing 9th Congressional District. Mr. Peterson will be serving on the Student Success and Completion Committee.

Mr. Rehnquist read a resolution for Mr. Ken Sendelweck.

R-12-6.1 **WHEREAS** Ken Sendelweck served with distinction on the Indiana Commission for Higher Education since his appointment in July 2006 and reappointment in July 2008 to represent the Ninth Congressional District; and

WHEREAS he successfully balanced the need to approach challenges facing higher education from a statewide perspective with the necessity of being sensitive to the particular needs of southwestern Indiana; and

WHEREAS while on the Commission, he gave generously of his time and talents while at the same time discharging the demanding responsibilities as President of the German America Bancorp; and

WHEREAS Ken served as a member of the Student Success and Completion Committee, as well as Vice Chair of the Commission from August 2009 until he became Chair of the Commission in August 2011, ably serving in that post until June 2012; and

WHEREAS during his Chairmanship, he provided exceptional leadership in updating and promoting the strategic vision for Indiana postsecondary education as reflected in *Reaching Higher, Achieving More*; and

WHEREAS Ken’s positive attitude and problem-solving skills proved invaluable to the Commission in helping to build consensus around important issues; and

WHEREAS his insights invariably enriched the dialog around issues facing the Commission and increased the value of our efforts on behalf of Hoosiers;

NOW THEREFORE BE IT RESOLVED, that the Commission for Higher Education expresses its appreciation for Ken Sendelweck’s service to the State on behalf of Indiana higher education and wishes him every success in the future, including his new public service role as a member of the Board of Trustees for the University of Southern Indiana (Motion – Scheller, second – Murphy, unanimously approved)

Ms. Moran-Townsend asked for a motion in hiring the following staff members of the Commission for Higher Education:

ICHE Staff:

Dominick Chase, Financial Operations Specialist

ICHE – Division of Student Financial Aid

Tafrica Harewood, 21st Century Operations Secondary School Liaison

21st Century Scholars Program

Jason Carter, Regional Outreach Coordinator – West Region
Glenda Ervins, Regional Outreach Coordinator – North Central Region
Amy Paraga, Regional Outreach Coordinator – North Central Region
Brianna Morse, Regional Outreach Coordinator – Central Region
Verleash Jones, Regional Outreach Coordinator – Northwest Region
Miranda Scully, Regional Outreach Coordinator – East Region
Barbara Martin, Regional Outreach Coordinator, Southwest Region

R-12-6.2 RESOLVED: That the Commission approves hiring the new staff members as presented (Motion – Bland, second – Rehnquist, unanimously approved)

COMMISSIONER’S REPORT

Ms. Lubbers welcomed Mr. Dan Peterson to the Commission. She also acknowledged the outstanding service by Mr. Ken Sendelweck as a former commission member.

Ms. Lubbers mentioned that the approval of two new employees today acknowledges the changing roles of the Commission as it expands its policy efforts and integrates the operation of financial aid into its portfolio of work. This integration will become more obvious in the future in the alignment of personnel and, more importantly, in the way the Commission improves its services.

Ms. Lubbers told the Commission members that this morning Mr. Nate Johnson, a consultant from the national consulting firm, HCM Strategists, talked about ways to distribute financial aid in more effective ways. This is a perfect example of the integration of the Commission's work; an opportunity to look at how financial aid is being distributed, to make sure it aligns with *Reaching Higher, Achieving More*, and that it is being used in a way that addresses student success.

Ms. Lubbers spoke about the approval of the hiring of eight 21st Century Scholars Regional Coordinators who will oversee the outreach efforts, designed to make this highly valued program even more successful. Ms. Lubbers explained that she mentioned Nate Johnson's report and hiring these coordinators, as some visible evidence as another example of how the two staffs are merging together as a unified Commission for Higher Education.

Next, Ms. Lubbers talked about the speech that former U.S. Secretary of Education Margaret Spellings is giving today at the Economic Club luncheon in Indianapolis on "*The Leaders and Laggards*" Report. Some of the Commission members had a chance to meet with Ms. Spellings last night to discuss what needs to be done to have a more productive system of higher education in Indiana and throughout the nation. Ms. Lubbers pointed out that the focus and the priorities in that report are overlapping those that the higher education institutions and the Commission have embraced in Indiana.

Finally, Ms. Lubbers mentioned that College Go week activities will begin the last week of this month, and will continue through this semester, to help students understand what it means to be academically and financially prepared for college.

CONSIDERATION OF THE MINUTES OF THE AUGUST 2012 COMMISSION MEETING

Ms. Odum made two corrections to the minutes. First, on page 4, second line of the second paragraph the word "form" should be replaced with the word "from."

Second, on the same page, paragraph three should be re-written, to read as follows: "In response to Ms. Odum's question regarding the occupancy rate at the hotels in Muncie, Ms. Gutman said that the occupancies in the hotels are strong. Dr. Howard added that Chamber of Commerce supported this project, and confirmed Mr. Fisher's comments that the business analysis supported this project and up to two more in the city."

R-12-06.3 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the August 2012 regular meeting with amendments (Motion – Bland, second – Rehnquist, unanimously approved)

II. THE PUBLIC SQUARE - DISCUSSION ITEMS

A. University Budget Presentations

1. University of Southern Indiana

Dr. Linda Bennett, President, University of Southern Indiana (USI) presented this item. Dr. Bennett's presentation is posted on the Government Relations site of the USI; below is the link to this site: <http://www.usi.edu/govrelations/>

In response to Mr. Smith's questions about the faculty, Dr. Bennett responded that considering what has happened with higher education since 2008, the university, comparing to other states, has benefited by getting an influx of faculty applicants from some of the states which were trimming their programs. However, now as there is a sputtering recovery of the economy, Dr. Bennett's concern was that the university will not be able to be competitive in terms of retention of these faculty members.

In response to Mr. Murphy's question about the outstanding debt of the university, Dr. Mark Rozewski, Vice President and Treasurer, responded that after their new \$50 million refunding, the debt is close to \$131 million.

Mr. LaMothe commended the focus that the President and the Board have on efficiency, and encouraged the focus on the quality aspect of it in the future.

2. Indiana State University

Prior to his presentation, Dr. Daniel Bradley, President, Indiana State University (ISU), commented on the suspension policy, in response to a question raised at the previous meeting. Dr. Bradley explained that students who get below 2.0 GPA are suspended. He spoke about a special policy for the first time full time freshmen, which allows the university to expel a student who gets the GPA of .85 in the first semester. Dr. Bradley pointed out that the university has done an analysis of that policy, comparing it to the 19 peer institutions, and there is only one other institution that has a policy that strict. General policy in higher education is that a student should get two semesters.

In response to Mr. LaMothe's concern about the low GPA, Dr. Bradley said that 95 percent of the institutions do not have a specific suspension/probation policy for freshmen, and the ISU's policy is harsher on first time freshmen than it is on continuing students.

Mr. LaMothe requested that the Commission staff looked at the practices at various institutions and to compare them with practices at the state public universities.

Dr. Bradley presented the university's 2013-15 budget. The presentation is posted on the Commission for Higher Education website:

www.in.gov/che/2754.htm.

Responding to Ms. Lubbers' question about performance funding, Dr. Bradley said that two years ago the changes were made to the performance funding by the legislature, and as the result, the university received considerably less money that they planned to receive. Dr. Bradley pointed out that the metrics should be set well in advance to the period which will be evaluated; and the metrics need to be short enough for the performance changes to be visible in two years.

In response to Mr. Smith's question about the university's endowed assets, Dr. Bradley responded that they are in \$70 million rate.

3. Indiana University

Dr. Michael McRobbie, President, Indiana University (IU), presented this item. Presentation is posted on the Commission for Higher Education website:

www.in.gov/che/2754.htm

Responding to Mr. Smith's question regarding accelerating repair and rehab to finance more than \$140 with bonds, Dr. McRobbie said that the university had two main priorities: to continue hiring and retaining faculty, and to continue building. Dr. McRobbie pointed out that if it was possible to fund everything they had planned, this would make a more than significant dent in deferred maintenance problem of the university. Dr. McRobbie also mentioned that the university is relying on private support, as well.

In response to a question from Mr. Murphy regarding the relationship between IU Health, the University, and the Medical School, Dr. McRobbie said that IU Health was formed in 1997 by the merge of the Indiana University Hospital System with Methodist Hospitals, to form what was then called Clarian, and now is called IU Health. It has been established as a non-for profit organization, and has an independent Board, consisting of 12 people. It is completely financially independent from the university. In the "US News Report" ranking of the hospital systems, IU Health is mentioned in the top 17.

III. RHAM DECISIONS AND OTHER DECISION ITEMS

A. Academic Degree Programs

1. Associate of Science in Computer Science To Be Offered by Ivy Tech Community College at Valparaiso, South Bend, Fort Wayne, Lafayette, Terre Haute, Columbus, Evansville, Bloomington, and Statewide via Distance Education Technology

R-12-06.4 **RESOLVED:** That the Commission for Higher Education approves *the Associate of Science (A.S.) in Computer Science To Be Offered by Ivy Tech Community College at Valparaiso, South Bend, Fort Wayne, Lafayette, Terre Haute, Columbus, Evansville, Bloomington, and Statewide via Distance Education Technology*, in accordance with the background discussion in this agenda item and the *Program Description* (Motion – D'Amico, second – Murphy, unanimously approved)

Dr. Mary Ostrye, Provost and Senior Vice President, Ivy Tech Community College, presented this proposal. She said that though this new program complements the existing two degree programs being offered by Ivy Tech, it is different. The existing two programs are in Computer Information Technology and Computer Information Systems, and they prepare graduates to develop programs and support hardware and software. This new program focuses on preparing students to work on system analysis and solutions. It is designed as a transfer degree.

In response to Mr. Murphy's question, Dr. Ostrye confirmed that there are pre-required math courses for each class, and a student can't get to a higher level course unless he is fully prepared.

Answering Dr. Scheller's question about the articulation agreements with state institutions other than IUPUI, Dr. Ostrye said that two other institutions made contact with Ivy Tech, and Ivy Tech will be approaching all the public universities with this program eventually.

Dr. Ken Sauer, Senior Associate Commissioner, Research and Academic Affairs, gave the staff recommendation.

2. Bachelor of Science in Environmental and Ecological Engineering To Be Offered by Purdue University West Lafayette at West Lafayette

R-12-06.5 RESOLVED: That the Commission for Higher Education approves the *Bachelor of Science (B.S.) in Environmental and Ecological Engineering* to be offered by Purdue University West Lafayette at West Lafayette, in accordance with the background discussion in this agenda item and the *Program Description* (Motion – LaMothe, second – Murphy, unanimously approved)

Dr. Candiss Vibbert, Assistant Vice President for Engagement, Purdue University, presented this proposal.

Dr. John Sutherland, Fehsenfeld Family Head of the Division of Environmental and Ecological Engineering, gave brief comments to the proposal. He explained that College of Engineering comprises interdisciplinary academic units that engage faculty throughout the college. Dr. Sutherland pointed out that that this structure allows the college to leverage existing resources and expertise to create new opportunities for students.

In response to Ms. Odum's question, Dr. Sutherland said that all the courses have been developed and are being offered. Responding to Ms. Odum's comment on general education classes, Dr. Dale Whittaker, Vice Provost for Undergraduate Academic Affairs, confirmed that all the university's engineering programs have the same number of general education courses.

Dr. Sauer gave the staff recommendations.

B. Approval of New Academic Unit on Which Staff Proposes Expedited Action

Ms. Moran-Townsend read the list of the degree programs.

R-12-06.6 RESOLVED: That the Commission for Higher Education approves by consent the following degree program, in accordance with the background information provided in this agenda item:

- School of Philanthropy To Be Created at IUPUI (Motion – D'Amico, second – Scheller, one abstained, approved by majority of votes)

C. Capital Projects

1. McKinley Commons – Ball State University

Mr. Jason Dudich, Associate Commissioner and CFO, presented this item.

R-12-06.7 **RESOLVED:** That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee the following project: *McKinley Commons – Ball State University* (Motion – Scheller, second – Peterson, unanimously approved)

2. Lease of Space for Indiana University School of Medicine – IU Health Inc. Neurosciences Clinical Office Building

Dr. Thomas Morrison, Vice President of Capital Planning and Facilities, IU, presented this item.

Mr. Dudich gave the staff recommendations.

In response to Mr. LaMothe question regarding the rent, Dr. Morrison responded that, like any lease, it requires negotiation, but it is a market based rate.

R-12-06.8 **RESOLVED:** That the Commission for Higher Education recommends approval to the State Budget Agency and the State Budget Committee the following project: *Lease of Space for IU School of Medicine – IU Health Inc. Neurosciences Clinical Office Building – Indiana University* (Motion – Smith, second – Rehnquist, unanimously approved)

3. Capital Projects on Which Staff Propose Expedited Action

Ms. Moran-Townsend presented a list of capital projects for expedited action.

R-12-06.9 **RESOLVED:** That the Commission for Higher Education approves by consent the following capital projects, in accordance with the background information provided in this agenda item:

- Purdue University – West Lafayette Campus: Steward Center Fire Alarm and Sprinkler System Installation - \$4,100,000
- Purdue University – West Lafayette Campus: Zucrow Building Complex Electrical System Replacement - \$5,500,000 (Motion – Rehnquist, second – Bland, unanimously approved)

IV. INFORMATION ITEMS

- A. Status of Active Requests for New Academic Degree Programs
- B. Capital Improvement Projects on Which Staff Have Acted
- C. Capital Improvement Projects Awaiting Action

IX. NEW BUSINESS

There was none.

X. OLD BUSINESS

There was none.

XI. ADJOURNMENT

The meeting was adjourned at 3:35 P.M.

Marilyn Moran-Townsend, Chair

Chris LaMothe, Secretary