

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

**June 12, 2009
Friday**

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9:08 a.m. at Purdue University Calumet, Calumet Conference Center, Rooms 135-137, 2200 169th Street, Hammond, Indiana, with Chair Jon Costas presiding.

II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Dennis Bland, John Costas, Jud Fisher, Gary Lehman, Marilyn Moran-Townsend, Ken Sendelweck, Clayton Slaughter, Mike Smith, Kathy Tobin

Members Attending via Conference Call: Gerald Bepko, Chris Murphy, Richard Johnson

Members Absent: George Rehnquist, Carol D'Amico.

No institutional presidents attended the meeting. Dr. Hans Giesecke, President of the Independent Colleges of Indiana, was present.

III. CHAIR'S REPORT

Dr. Howard Cohen, Chancellor of Purdue University Calumet, gave welcoming remarks. He acknowledged a great job Kathy Tobin did as a Commission Member, representing the campus.

Mr. Costas thanked Dr. Cohen for his hospitality and a great presentation on Thursday night.

Mr. Costas announced that this will be Kathy Tobin's last meeting. He recognized Kathy Tobin for her service on the Commission. He also mentioned that Kathy will be taking over as a new chair of STAC (Statewide Transfer and Articulation Committee). Kathy expressed her gratitude for an opportunity to work at the Commission, stating that this was a great experience.

Mr. Costas thanked Richard Johnson for his service at the Commission. Mr. Johnson, in his turn, extended an invitation to Members of the Commission to visit his house at the Brown County, which was, as Mr. Costas put it, the birthplace of the Reaching Higher Initiative.

Chair Costas announced Mr. Thomas Kinghorn's retirement from Ball State University.

Mr. Costas announced Mr. Terry Clapac's retirement from Indiana University.

Dr. Kenneth Sauer, Interim Commissioner, acknowledged the long terms both Mr. Kinghorn and Mr. Clapac served at their respective Universities.

Chair Costas announced that Jeff Spalding has left the Commission to assume the position of Director of Federal and State Legislative Affairs with the Indiana Department of Transportation.

Mr. Costas announced that Cheryl Orr will be leaving the Commission at the end of June to work with Stan Jones. Cheryl briefly described her new job at the National Coalition for College Completion.

Mr. Costas reported that Commission for Higher Education has been asked to coordinate 2010 census.

IV. COMMISSIONER'S REPORT

None.

V. CONSIDERATION OF THE MINUTES OF THE MAY COMMISSION MEETING

R-09-05.1 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the May 2009 regular meeting. (Motion of Moran-Townsend, second - Smith, unanimously approved)

VI. DISCUSSION ITEMS

A. Results of Ivy Tech Community College Remediation Pilot Projects

Dr. Donald S. Doucette, Senior Vice President and Provost, gave a brief description of the item. He pointed out that remediation is a core mission of Ivy Tech, and it is fundamental that students have an opportunity to participate in higher education and succeed. Then Dr. Doucette invited Dr. Marnia Kennon, Vice Provost for Academic Affairs, to present the item.

Dr. Kennon explained that Ivy Tech serves students who may not be prepared for college. Two thirds of all first-time students are required to take remedial courses. Two thirds have completed at least one remedial course. Dr. Kennon said that Ivy Tech received two coordinating grants: one from Lilly Endowment and another from Joyce Foundation, to help with the Remediation Pilot Projects.

Mr. Jud Fisher, Commission Member, asked about Early Childhood Education Project in Evansville. He was wondering whether this program will eventually be presented outside Evansville, at other Ivy Tech campuses. Dr. Kennon responded in affirmative, saying that the curriculum can be shared with other campuses. She also confirmed that the CDA is a nationally recognized certificate.

Mr. Mike Smith, Commission Member, asked how many pilot programs are being funded by the Ivy Tech budget. Dr. Kennon responded that Ivy Tech relies mostly on part-time faculty, so they stay with what has been appropriated to Ivy Tech by the State Budget Committee. However, the need for the full-time faculty is great.

Mr. Smith asked how many pilot programs would be funded if Ivy Tech were to receive additional funding from the state. Dr. Kennon said that all of them would be, and Dr. Doucette confirmed this statement.

Mr. Smith has requested to have a follow-up of this item at the fall Commission meeting, to see how much of what had been done today would actually be seen in the fall.

Ms. Marilyn Moran-Townsend asked whether Ivy Tech is expecting to mandate the pilot programs. Dr. Doucette said they would hope that these programs would become statewide practice.

Mr. Dennis Bland asked what was the most exciting finding for Ivy Tech resulting from the pilot programs. Dr. Kennon said that the minor tweaking of the schedule could result in a big change. The completion rate was 50% higher for those students who were taking classes in an 8 week sequence than for those who took courses over an entire semester.

B. Overview of May 2009 Revenue Forecast and Governor's Budget

Mr. Bernie Hannon, Associate Commissioner for Facilities and Financial Affairs, presented this item. He explained the April Revenue Forecast, as well as the Governor's proposed June 2009 Higher Education budget and the status of the Special Session.

Brief discussion followed.

C. Non Binding Tuition and Mandatory Fee Tuition Targets, Net Tuition Discussion

Mr. Bernie Hannon presented this item. He explained the aggregate average net tuition paid by resident undergraduate students. The instructions for reporting aggregate net tuition were to report gross tuition and fee charges to all resident undergraduate students, the total amount of federal grant aid, the total amount of Indiana State grant aid and the total amount of institutional grant aid. Mr. Hannon said that no data was available about net tuition by income levels, so the universities will be giving the Commission the aggregate average net tuition data. Purdue University put together a template, which was sent to other institutions.

For all resident undergraduate students, *on average* the public institutions waive 10% of tuition and fees, SSACI grant awards cover 15% of tuition charges and the federal government gives grants to cover 17% of tuition, leaving 58% of net tuition to be paid by students. The continuum of what any given student actually pays runs from 0% to 100% of the charges.

Dr. Tom Morrison, Associate Vice President for Public Affairs and Government Relations, Indiana University, presented information for all Indiana University campuses. Net tuition is something the public hasn't talked a lot, but it is much better indicator of what cost of college is, more so than the "sticker price" of the college. The "sticker price" of college is what the public sees go up, even though the actual price students pay may be level or even declining, so the fact that the University is dealing with the net tuition is a very good thing.

On average, students who get financial aid pay about 55% of the "sticker price" of college. IU has to communicate to the public that financial aid is available, and the "sticker price" is generally not what students will pay, especially if they are from low- or middle-income families. The data presented to the Commission is for dependent, resident, undergraduate FAFSA filers, so it is only those Indiana undergraduate residents who actually filled out the FAFSA form who are included in the analysis. Within that there are categories, including Federal, state and institutional aid (grants given by the institution). The analysis does not include private scholarships for those who did not fill out the FAFSA. IU tried to conform to Federal reporting requirements. The important points to make are that the Commission will see in the lower income groups a very high number for average aid per student. The aid is higher than the cost of tuition, sometimes as high as 50 or 60%.

In their data, IU did not include the cost of housing, so it can be assumed that when someone gets that award they are using it for cost of housing, books, etc. The other big bubble in these numbers of low-income strata is IU's commitment to the wrap-around program for 21st Century Scholars.

Dr. Gerald Bepko asked about the percentage of students represented by the group of FAFSA filers. Dr. Morrison said it was about 50% for Indiana University Bloomington, but the goal was to increase this number.

Mr. Chris Murphy asked whether people who do not file FAFSA forms get any financial assistance. Dr. Morrison responded that they do, and this would be mostly merit-based scholarships, or they can get campus jobs, etc. Mr. Murphy wanted to make sure that FAFSA would not be required for these scholarships. Dr. Morrison responded that FAFSA would be required to receive Federal, state or institutional aid, but it is not required for other type of scholarships.

Mr. Dennis Bland asked what percentage of IU Bloomington students who are eligible for financial aid, do not apply for it. Dr. Stephen Keucher, Associate Vice President and University Budget Director, responded that if the students did not file for financial aid there is no way of knowing their number.

Dr. Randy Woodson, Provost for Academic Affairs, Purdue University, referred to Mr. Bland's question and stated that the number of FAFSA filers is greater in the first year, and then goes down as the student progresses at the University. If the students file a FAFSA form, but are not eligible for aid, they often don't apply again. Purdue's number of freshmen FAFSA filers is 83%. Purdue is higher than average in this measurement, because some of the University's merit-based scholarships depend on filing FAFSA forms.

Dr. Woodson then presented net tuition information for Purdue University-West Lafayette and Calumet campuses. It is important for Purdue to consider a real cost to students, and to try to educate students and families about what it is going to cost them to get an education at Purdue. The analysis presented included only the freshmen class, though the analysis could be expanded to include all students. All data is based on income level. They tried to be consistent with the federal guidelines, but included levels of \$0-\$40,000 and middle-income ranges to reflect unique scholarship programs provided by Purdue.

The data is based on what the freshman class experienced during their first year at Purdue University. In the \$0 to \$40,000 category they had 450 freshmen filing FAFSA. 445 of those filers actually received some form of aid. On average, for those who filed FAFSA forms, over \$13,000 in financial aid was granted against the total cost of \$18,000. In their document Purdue has also included the listing of all other sources of financial aid: loans, work study, and the aid that was received from the local organizations, which represent external scholarships. On average, the family cost after all financial aid is about \$1,600 for students from \$0 to \$40,000 income level.

Mr. Clayton Slaughter asked whether a student can get one of the external scholarships and also a loan, which he will have to repay later. Dr. Woodson responded that the challenge is to fully understand what the students receive. There are a lot of scholarships that go directly to students that Purdue doesn't know about. Families in the \$40,000 to \$80,000 income level fall outside of the Federal Grant programs, and they have greater family contribution expectations. As a result, if the Commission looks at the amount of money the students and families are paying, it is obvious that it is the highest for the families in this middle income range. To better meet the

financial needs of middle-income students, Purdue has launched its own scholarship, called Marquee Scholarship. It is \$2,000 annual scholarship for up to four years for students from families with income levels over \$40,000 and under \$80,000.

Mr. Gary Lehman asked, whether, especially in middle income columns, the standard deviation for the averages is very significant, as merit scholarships can be substantial.

Dr. Woodson responded that the standard deviation increases across the chart. Purdue's denominator is all students who receive aid.

Dr. Kathy Tobin remarked that from the chart it was clear that in the lowest income category (up to \$40,000) total estimated cost of college attendance in West Lafayette is \$18,000, and for Purdue-Calumet \$16,000. After all financial aid the average family cost for attending Purdue-West Lafayette is \$1,600, and at Purdue-Calumet is \$4,000. When students are making decisions, they need to know that it costs more to go to Purdue-Calumet, than to West Lafayette. The biggest discrepancy is between the state aid and Purdue internal grants from scholarships. Regional campuses do not have a large pool of money for internal scholarships. Dr. Tobin didn't understand the discrepancy in the state aid.

Dr. Woodson responded that at Purdue West Lafayette it is a very high priority to use all resources to support students. This is a central part of their strategic plan, which focuses on providing a clear pathway for students to go to Purdue West Lafayette and to be successful. Within last six years, institutional aid has increased 95%. They try not only to recruit the best students for the University, but to provide them with the resources to be successful. There is a perception that keeping tuition fees low makes the University more affordable. While intuitively this makes sense, having flexibility to manage resources, and setting a tuition fee that is consistent with the market, gives Purdue the resources necessary to support students with high need.

Mr. Mike Smith thanked Dr. Woodson for his presentation, saying that it was very critical and instructive to the public. On that theme of transparency, Mr. Smith said he would like to encourage Purdue to continue to make effort to cause that concept of net tuition better understood.

Mr. Smith asked that CHE and the Universities, as they communicate publicly, continue to focus and concentrate on net tuition and make clear that the intention is to use the financial leverage to cause college education to be more affordable to the middle income families, and that only happens if institutional aid and Federal aid keep pace with the increase of the nominal tuition rate.

Dr. Woodson said that's why this discussion is so valuable going forth. When the Universities can agree on and develop a strategy for consistent reporting against this data in a transparent clear way, the Commission can insist on keeping that net cost below its current level.

Mr. Mike Smith said attitude influences behavior. The legislature and the general public will have a reaction to tuition increases, and the attitude may be more properly guided if the Universities make these issues more transparent. If the Universities release the nominal number without explanation of what that means to the aspiring middle income Hoosier, Mr. Smith said he would worry about the attitudinal reaction.

Mr. Gary Lehman asked why there was such a big difference in state grant aid between West Lafayette and Calumet campuses, almost 50%.

Mr. Bernie Hannon responded that 98% of state aid is assigned to the full time students.

Dr. Kathy Tobin urged the Universities to continue to demonstrate the differences between the regional and main campuses; it's very valuable.

Mr. Dennis Bland expressed a high appreciation of the efforts of the participating institutions. He talked about the importance of the issue of affordability of education. He mentioned the "sticker shock" families get when they first learn about the cost of education. When the family finds out about the financial aid available, and realizes that they only have to pay a small fraction of the "sticker price," they can take advantage of the education.

Dr. Phil Sachtleben, Associate Vice President, Governmental Relations, Ball State University, briefly presented net tuition information for Ball State University, utilizing the template created by Purdue University. Dr. Sachtleben mentioned that Pell Grant has increased by \$890. He reminded of a study that the Commission had paid for and that was done by the Center for Education and Evaluation Policy, and that showed the high level of misconceptions many Hoosiers have about the cost of public higher education.

D. Results of the 2008-09 Learn More Indiana Annual – Career and College Survey of Students in Grades 9 and 11, and Update on Learn More Indiana Strategic Plan for 2009-10

Ms. Cheryl Orr, Senior Associate Commissioner for Communications and P-16 Planning and Programs, presented this item.

Learn More Indiana is a partnership of the Indiana Commission for Higher Education, the Indiana Department of Education, the Indiana Department of Workforce Development, and the State Student Assistance Commission, with additional support from Indiana's colleges and universities, USA Funds, Lumina Foundation for Education, and USDOE College Access Challenge Grant.

To stay informed regarding what students need for college and career planning, Learn More Indiana annually gathers information from students enrolled in Grades 9 and 11 in public and private high schools throughout the state. Data from the Learn More Indiana's Annual Career and College Information Survey informs schools, communities, and policymakers about the career interests, postsecondary aspirations, perceived barriers, and college access needs of Indiana students.

The survey provides a direct link between students and the Indiana colleges and universities, and provides valuable insight into what they believe are the best ways to reach them with the college and career information they say they need.

Mr. Mike Smith said he was inspired by the report from Ivy Tech about the remediation. Much more intensive support of the students was required, and the important issue was the work of the counselors. There is an unbelievable absence of the influence of the counselors for the high school aspirants. He was wondering how the Commission is using the data to inform the DOE and others that this mentoring role is missing. Also, if it can't be funded by the professional staff counselors, Learn More and others, Mr. Smith wondered whether mentors could be provided institutionally or some other way.

Mr. Chris Murphy asked how the counselors were defined. Years ago a counselor was a person you were sent to when you had problems, so it was not a good thing to go to a counselor.

Mr. Smith said that this is why he had broadened the definition of mentor. From the data that was given to the Commission, there appears to be a lack of contact with someone helping the students. There is an expressed and manifest need for more mentoring and more coaching, particularly with the first generation of aspirants.

Ms. Orr said that the bottom line is the relationships. The Department of Education has spoken about this, and Learn More Indiana includes a large community component, helping communities engage with schools and students. There are also two pilot programs being implemented: No Excuses University, which reinvents schools around a college-going culture; and College Success Team, with the intentional attempt to use a lot of good people to help kids.

Mr. Bland thanked Ms. Orr for everything she had done for the Commission for Higher Education. He referred to Tables 8, 10, 16, 27, and 33 in the supporting document. Mr. Bland encouraged the Commission to look at the data and: What are the opportunities? What are the answers? How do we implement these answers? How we bring the answers to scale? How we go about getting the funding to make it happen? In the 9th grade we see the dropout bubble. Students feel that there is nobody there to help them out.

Mr. Kenneth Sendelweck made a brief comment regarding a dual credit. The ultimate goal has to be a quality of the program. He had a conversation with some people from Purdue North Central and the successes they had experienced. He stated that it is important to stay focused on using the success of current programs as a resource.

Mr. Jon Costas said that the data is interesting, and sometimes conflicting. On one hand, we see that college is affordable for low-income families, and yet 70% of the first-generation college families believe that it is not affordable. This is what Learn More is all about. It is important to change some perceptions.

E. Website Redesign and Improvements

Ms. Aja May, Manager of Programs and Communication, presented this item. She explained that the Commission's web site has been totally changed, and she showed members of the Commission how to navigate the new site.

Dr. Gerald Bepko asked whether the web site is linked to Facebook. He said if the CHE website wants to be registered on Facebook, it is necessary to act quickly. Ms. May answered that Learn More Indiana has a "Facebook" presence, and even has its own application.

VII. DECISION ITEMS

A. Academic Degree Programs

1. Doctor of Philosophy in Economics To Be Offered by Indiana University at Its Indianapolis Campus

Dr. Robert Sandy, Assistant Executive Vice President, Indiana University and Professor of Economics, IUPUI, talked about this program. He introduced Dr. Anne Royalty, Director of Graduate Studies and Associate Professor of Economics, IUPUI, to present this item. Dr. Royalty

has a Ph.D. from Yale University. Her thesis supervisor, Dr. James Hackman, is a Nobel Laureate. Dr. Sandy remarked that before coming to IUPUI Dr. Royalty, was an Assistant Professor at Stanford.

Dr. Royalty presented the program. She stated that Health Economics is a growing field. From 1980 to 2005, health expenditures have grown from \$1,100 per capita to almost \$6,700 per capita. Such dramatic change increases the need for economists who are able to analyze questions about health and health care.

Dr. Gerald Bepko commented that there are not enough Ph.D. programs in the department of Science, and that this is a great opportunity to bring the best and the brightest to Indiana.

Mr. Clayton Slaughter asked whether the program presenters have a clear list of what the graduates will be able to do after they leave. Dr. Royalty responded that they did have a list of Core Competencies, on page 33 of the full proposal.

Mr. Mike Smith congratulated Dr. Royalty on a perfectly designed program that seems very timely.

Dr. Ken Sauer wanted to underscore that this is a highly focused program that plays to the strength of the IUPUI campus and ought to have a significant effect on research dollars that the campus might gain, and contributions it can make to economic development of Central Indiana. Ph.D. programs in economics might typically have 4, 5, 6 or more primary areas of emphasis; this program has two: Health Economics, which is expected to enroll most of the students in the program, and non-profit philanthropic studies from an economic standpoint. This also plays to one of the strength of the IUPUI campus, which is home to the Center for the Philanthropic Studies and the related degree program.

R-09-06.2 RESOLVED: That the Commission for Higher Education hereby approves the Doctor of Philosophy in Economics to be offered by Indiana University at its Indianapolis Campus, in accordance with the background discussion in this agenda item and the *Abstract*, May 29, 2009; and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, May 29, 2009 (Motion - Slaughter, second - Bepko, unanimously approved).

2. Academic Degree Programs on Which Staff Propose Expedited Action

Staff presented a list of degree program proposal(s) for expedited action.

R-09-06.3 RESOLVED: That the Commission for Higher Education hereby approves by consent the following degree program(s), in accordance with the background information provided in this agenda item and the *Abstract*, May 29, 2009:

- M.S. in Education to be offered by Purdue University West Lafayette Statewide via Distance Education Technology

- T.C./A.A.S./A.S. in Hospitality Administration to be offered by Ivy Tech Community College of Indiana-Columbus at Columbus
- B.S. in Nursing (Generic) to be offered by Indiana University Indianapolis at Columbus

Ken Sauer added one other proposal to this list.

- A.S. in Supply Chain Logistics Management to be offered by Vincennes University at Jasper.

This proposal was inadvertently left off the list of programs. This program has been dealt with in several previous actions. This was to be offered at the Vincennes campus, Indianapolis and through distance education. This is the final site for which Vincennes is seeking the Commission's approval.

Ms. Marilyn Moran-Townsend asked Ken to remind the Commission whether they talked about Jasper at all. Ken stated that this was a part of the original request. The Commission held off taking action in that. In part, it was related to a capital project that had been proposed for Jasper, and the timing was such that the Commission decided to wait in taking action for that program. However, the circumstances seem to be right at this point, and there is no reason to delay.

(Motion of Slaughter, second of Fisher, unanimously approved).

B. Capital Projects

1. Cinema Theatre/Drama Renovation at Indiana University Bloomington

Mr. John Grew, Vice President for Public Affairs and Government Relations, Indiana University, presented this item. He mentioned that the total cost of the project is \$15 million, \$5 million of which will come from gifts, and the rest from the University resources.

Mr. Mike Smith asked why this has to be funded through a special purpose entity.

Mr. Grew answered that this is not a new entity that the University has established. There was already one project that the Commission had approved (the auxiliary library facility). It gives the University some additional flexibility in terms of financing the projects. The University can issue the debt with this entity and pay it back with its own resources.

Mr. Smith stated that people, particularly those who live in Indianapolis, are hyper-sensitive to issues around these types of entities: "capital improvement" being the most popular way of recognizing entities which are struggling at the moment. Mr. Smith said that there was reference in the presented document that the lease purchase obligations will be financed without recourse against general operating funds or no mandated student fees, etc. He asked whether this was a reasonable request for the Commission to ask that Indiana University at a future date provide some evidence, that,

in fact, there is a so-called "Chinese Wall" between the purchaser's obligation and the general funds of the University. Mr. Grew agreed that this was a reasonable request.

Ms. Moran-Townsend asked why the Commission needed to review this project.

Mr. Hannon answered that this was a lease that exceeds four years and costs \$15 million. By statute, any project that exceeds \$1,000,000 has to be approved by the Commission, no matter what the sources are.

Mr. Hannon confirmed that the Cinema Theatre/Drama building is in need of repair. The debt for the project would be issued through the Indiana University Building Corporation, a special purpose entity created by IU for this very purpose. Without such an entity, in the past IU would collect cash over time and then pay \$15 million in cash for such projects. This allows the University to issue these debts, through this Corporation, and repay debt over time. As to Mr. Smith's question regarding the separation between the bond holder and revenue funding, Mr. Hannon responded that there was not a legal separation between the bond holder and state appropriations and student fees. He further noted that IU pledges many sources of revenue toward this debt, even though they represent that only a much smaller revenue stream will actually fund the lease payments. However, to be perfectly clear, he noted that the University's pledge to the state to use less revenues than they have pledged to support the lease (debt) payments is not legally binding.

Mr. Smith was concerned that even though the IU states that no State funds will be used for this project, Mr. Hannon has just contradicted this statement. Mr. Smith was referring to page 33 of the IU's supporting document, where it indicates that IU will pledge available funds, which are any unrestricted operating fund balances, including those created by appropriations, surpluses, and operating funds. Mr. Smith remarked that he really dislikes the lack of transparency resulting from the "no State funds involved" pledge. In fact, the repayment of the obligation is from funds provided by the State. These funds are provided by the taxpayers and those attending IU.

Mr. Hannon said that this may be a bit of a language issue. When IU says they are not going to use State funds, this is not a legally binding pledge; this is simply a gentlemen's agreement between IU and the State. Of course, there are State funds involved in the legal documents to bond holders, but IU is making promises to the State not to spend them.

Mr. Smith repeated his earlier question to Mr. Grew: if the source of the funds to repay the obligation is no different from the source of funds to repay the general obligation, why the special purpose entity?

Mr. Grew responded that they have set it as a special purpose entity. The University had self-financed facilities before through the Foundation. For various reasons, that is no longer the most desirable way to do this. This funding mechanism is very similar to that of school corporations, in terms of how they fund their projects. That's what the statute is modeled upon. IU is pledging the use of interest income on sources that are not related to mandatory student fees or appropriated funds.

Mr. Hannon said IU used this special purpose entity to finance the auxiliary library facility. The pledge of the bond was a substantial amount of revenue of all available

funds. The money that legally supports this bond includes all available funds. However, the pledge from IU is different from legally binding pledge. If IU were to issue \$10 million in bonding, and they are pledging student fees instead of appropriation, than this would require the authority of the General Assembly to do that.

Mr. Smith asked whether this was unreasonable characterization to say that if interest rates remain low, as they are now, and interest on these surplus funds was inadequate to meet the obligation, that the lease expense of the facility would be treated no differently than paying the life bill on a lot of the academic buildings. It is a general obligation of the University that has to be paid from the revenue sources, which include tuition, not necessary a specific mandated fee, but general funds of the University. Mr. Smith insisted on the transparency in the characterization that the student is protected from any obligations to pay this debt.

Dr. Bepko commented that state direct support of the University is not the principal source of funding for IU and Purdue. Most money comes from tuition revenue.

Mr. Smith remarked that he includes tuition in the same category as the taxpayers because tuition from most of the students is paid by people who are taxpayers in the state.

Mr. Costas said that this debt would be paid with existing revenue stream as opposed to creating a new revenue stream.

Mr. Smith stated that in this case, the University will have to raise tuition because of unavoidable costs like energy, health care, and the new interest on the bond to pay for the theatre renovation. It is impossible to use the incremental economic model to justify this increase. This is no less an expense of the University than all other things.

Mr. Murphy, Mr. Lehman and Ms. Moran Townsend made brief comments.

Mr. Hannon reported that total state-supported debt is always presented to Commission members, but that non-state supported debt, though monitored by CHE staff, had not been presented in the past. Mr. Hannon said he would present that data at a later date.

All agreed that IU would get together with Commission staff and some Commission members to continue this conversation before another IU project funded through the special purpose entity would appear on a Commission agenda for review.

Mr. Hannon gave staff recommendation.

R-09-06.4 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee of the project Cinema Theatre/Drama Renovation at Indiana University Bloomington, as described in the project description and staff analysis dated June 3, 2009. (Motion - Murphy, second - Bepko, roll call, motion carries by a majority of votes).

2. Capital Projects on Which Staff Proposes Expedited Action

Staff presented a list of capital project(s) for expedited action.

- Renovation of McNutt and Teter Quad Restrooms at Indiana University, Bloomington

R-09-06.5 RESOLVED: That the Commission for Higher Education hereby approves by consent the following capital project, in accordance with the background information provided in this agenda item. (Motion - Lehman, second - Sendelweck, unanimously approved)

C. FY2009 Improving Teacher Quality partnership Program Request for Proposals (RFP)

Ms. Aja May presented this item. She gave a quick update on how the Federal Improving Teacher Quality Grant Program works. Funds are released under very specific guidelines, and supports partnerships between colleges and universities and high need school districts to provide professional development opportunities for teachers to ensure they are highly qualified. This partnership includes three components: a university that has teacher preparation program; their college of Arts and Sciences; and the high need school district (defined by the US Department of Education as 20% or more students from families with incomes below the poverty line, and more than 5% of their teachers teaching off license).

Mr. Dennis Bland referred to an earlier discussion about school counselors. He was wondering whether the issue of empowering our developing counselors with counseling need could be tied to the Teacher Quality Program. Ms. May responded that this program is very specific that the targeted personnel have to be teachers. The CHE has been working with Department of Education, looking into their grants, trying to see how their resources can be used for this purpose.

R-09-06.6 RESOLVED: That the Commission for Higher Education hereby recommends approval to the FY2009 Improving Teacher Quality Partnership Request for Proposals (RFP) in accordance with the background information dated June 3, 2009. (Motion - Sendelweck, second - Fisher, unanimously approved).

D. Approval of Ivy Tech Community College Accelerated Associate Degree Pilot Project Contract

Ms. Haley Glover presented this item.

Mr. Smith asked whether there was an escape hatch that allows the Commission to terminate the contract if Ivy Tech does not secure additional funding. Ms. Glover responded that the Commission has 30 days to give notice to either party to terminate the contract.

Ms. Moran-Townsend had a question whether the Pilot Program would allow the Commission to track the success of participating students. Ms. Glover responded that a wide variety of student information would be tracked through the Program, and special attention would be paid to student success measures.

Mr. Clayton Slaughter asked whether the degree that students would receive would be the same as completed through any different program. He was wondering whether according to Transfer and Articulation Agreement other universities would accept this degree as a credit. Ms. Glover said that this project includes all 60 credits that are currently delivered in Associate Degree program.

Mr. Slaughter was concerned that the students who enrolled in this program, successfully graduated and later wanted to transfer to another university, would be told at this university that this program is not the same, and students would not receive credit for their work.

Dr. Marnia Kennon said that program initial work on the program will include articulated agreements with 4-year universities, to ensure transfer of credits. Dr. Kennon said that they anticipate that these universities would be interested to work with Ivy Tech. Ms. Glover added that this project will also enroll very motivated students.

Dr. Ken Sauer confirmed both Ms. Glover's and Dr. Kennon's statements. Dr. Sauer assured the Commission that the subject of transfer is absolutely critical. Dr. Sauer also added that based on the success in remedial education that was achieved, he is confident that this type of success can be carried over to that project, as well.

R-09-06.7 **RESOLVED:** That the Commission for Higher Education hereby recommends approval to the Ivy Tech Community College Accelerated Associate Degree Pilot Project Contract in accordance with the background information provided with this item (Motion - Smith, second - Slaughter, unanimously approved).

E. Acceptance of Project Lead the Way Principles in Biomedical Sciences as a Science Elective for Meeting Core 40 Requirements.

Dr. Ken Sauer presented this item. This course has been offered for two years in some high schools on a pilot basis with the good results. Having the postsecondary institutions review courses that would apply to meeting Core 40 requirements is a part of the state efforts to have good communication channels between K-12 and the postsecondary sector. The Commission has accepted several other courses like this, meaning that they have been proposed as meeting Core 40 requirements in the past. The Commission is delighted that this kind of conversation can occur, and the postsecondary institutions are well aware of what Department of Education and State Board of Education are doing relative to Core 40 diplomas.

Dr. Sauer gave staff recommendation.

R-09-06.8 **RESOLVED:** That the Commission for Higher Education hereby recommends approval to the Project Lead the Way *Principals in Biomedical Sciences* as a Science Elective for Meeting Core 40 Requirements in accordance with the background information provided with this item (Motion - Murphy, second ó Lehman, unanimously approved).

F. Calendar of Upcoming Commission Meetings

Ms. Rosemary Price, Administrative Assistant, presented this item.

Ms. Price brought it to the attention of the Commission members that due to the fact that Christmas and New Year's holidays fell on a week that would normally be a week of the Agenda preparation, the Commission Meeting has been moved to January 14-15th, instead of January 7-8th, 2010. Ms. Price informed members of the Commission that the dates that were listed for May and June, 2010 Commission meetings were in error in the Agenda book, distributed to the Commission members. She said the corrections have been made.

Ms. Price gave staff the recommendation.

R-09-06.8 **RESOLVED:** That the Commission for Higher Education hereby approves of the Calendar of Upcoming Commission Meetings in accordance with the background information provided with this item (Motion - Lehman, second ó Bepko, unanimously approved).

G. Election of Officers

Chairman Jon Costas presented a slate of officers as follows:

Mike Smith ó Chair,
Ken Sendelweck ó Vice Chair,
Jud Fisher ó Secretary,
Marilyn Moran-Townsend ó Chair of Strategic Directions Sub-Committee
Gary Lehman ó Chair of Personnel Department

R-09-06.9 **RESOLVED:** That the Commission for Higher Education hereby approves the new slate of Officers in accordance with the background information (Motion - Murphy, second ó Tobin, unanimously approved).

VIII. 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

D. Minutes of the May, 2009 Commission Working Sessions

E. Minutes of the May Framework Subcommittee

F. Minutes of the May Human Resources Subcommittee

There was no discussion of these items.

IX. NEW BUSINESS

There was none.

X. OLD BUSINESS

There was none.

XI. ADJOURNMENT

The meeting was adjourned at 12:15 p.m.

Mike Smith, Chair

Jud Fisher, Secretary