

**State of Indiana
Commission for Higher Education**

Minutes of Meeting

**December 12, 2008
Friday**

I. CALL TO ORDER

The Commission for Higher Education met in regular session starting at 9:05 a.m. at University Place Conference Center, Room 137, IUPUI campus, 850 W. Michigan St., Indianapolis, Indiana, with Chair Jon Costas presiding.

II. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM

Members Present: Gerald Bepko, Dennis Bland, Jon Costas, Carol D'Amico, Michael Fisher, Richard Johnson, Gary Lehman, Marilyn Moran-Townsend, Chris Murphy, George Rehnquist, Ken Sendelweck, Clayton Slaughter

Members Attending via Conference Call: None

Members Absent: Michael Smith, Kathy Tobin

The following institutional presidents attended the meeting: Dr. H. Ray Hoops of the University of Southern Indiana. Dr. Hans Giesecke, President of the Independent Colleges of Indiana, also was present.

III. CHAIR'S REPORT

Mr. Costas introduced Ms. Carol D'Amico, President and CEO of Conexus Indiana, as a newly appointed member to the Commission. Ms. D'Amico is completing Mr. Robert Bowen's term.

IV. COMMISSIONER'S REPORT

Commissioner Jones called on Mr. Jeffrey Spalding, Senior Associate Commissioner for Administrative and External Affairs, to comment on the revenue forecast.

Mr. Spalding summarized the General Assembly's revenue forecast for the 2009-11 biennial budget cycle, which predicts a 3.8 percent decrease in revenue from FY2008. He explained what the impact would be on the State's system of higher education.

Commissioner Jones announced that letters would be forthcoming to the university presidents to initiate the process of selecting a new faculty member for academic years 2009-2011. The presidents will be asked to nominate a faculty member to represent their respective institution on the 2009 Faculty Nominating Committee.

Commissioner Jones announced that, due to the holiday season, the January Commission meeting would be held on the 16th, one week later than usual.

V. CONSIDERATION OF THE MINUTES OF THE NOVEMBER COMMISSION MEETING

Commissioner Jones spoke on Mike Smith's behalf to clarify a point in the minutes regarding the discussion of Purdue University's bonding for its new athletic facilities. The minutes should reflect that it is the University's obligation to pay the bonds if its athletic department was unable to do so.

R-08-10.1 RESOLVED: That the Commission for Higher Education hereby approves the Minutes of the November 2008 regular meeting as amended.
(Motion – Moran-Townsend, second - Rehnquist, unanimously approved)

VI. DISCUSSION ITEMS

A. Indiana's Independent Colleges and Universities' Role in Achieving the *Reaching Higher* Goal of 10,000 More Bachelors Degrees Annually

Dr. Hans Giesecke, President, Independent Colleges of Indiana, presented ICI's perspective of its role in the Commission's *Reaching Higher* document. He stated that the ICI institutions appreciate the thrust of the *Reaching Higher* document and agree with its goals. The presentation focused on the degree-producing capacity of the State's 31 independent, nonprofit, regionally-accredited colleges and universities. Dr. Giesecke demonstrated how critical the degree-producing capacity of the ICI institutions is to improving the percentage of Indiana citizens who have a baccalaureate degree as articulated in *Reaching Higher*. Additionally, he explained that state-funded student financial aid administered by SSACI is a key element in the degree-producing capacity of the state's independent colleges and universities. Dr. Giesecke commented on discussions between ICI, SSACI, and the Commission for Higher Education to jointly develop a study of comparative graduation rates of SSACI recipients across public and independent higher education institutions. A packet of information was distributed to Commission members.

Discussion followed regarding the number of Indiana residential ICI graduates that remain in Indiana.

Commissioner Jones noted that SSACI is one of the largest programs in the country and that ICI's advocacy of the program benefits students at both the independent and public institutions.

B. Specialty Student Financial Aid Programs Administered by SSACI and Sensitivity Analysis on Frank O'Bannon Grant Costs and Caps

Ms. Claudia Braman, Executive Director, SSACI, introduced this agenda item by explaining its purpose. She introduced Mr. Dennis Obergfell, Vice President, and Ms. Laurie Gavrin, Research Analyst, to present this item.

Mr. Obergfell and Ms. Gavrin presented an overview of specialty student financial aid programs that are administered by SSACI and are more narrowly targeted than either the Frank O'Bannon Grant or the 21st Century Scholars Award. Mr. Obergfell also offered detailed information on the sensitivity analysis of the SSACI FY2010/FY2011 biennial budget request. This sensitivity analysis included: a) the degree to which the proposed O'Bannon Grant caps are affected if funding is not provided at the level requested; and b) the degree to which the estimated cost of the O'Bannon Grant program changes as the tuition rate assumptions change. Descriptions of the specialty programs were included within the Commission's agenda booklet. Information was distributed at the Commission

meeting pertaining to the sensitivity analysis, and will be available through the Commission's website.

Discussion followed regarding the disbursement of funds among dependent and independent students, and among students attending public versus independent institutions. The topic of affordability, as it is presented in the *Measuring Up 2008* report, was also discussed.

Ms. Moran-Townsend stressed the importance of insuring that SSACI funds be disbursed to the neediest students.

The following item was presented following Decision Item A-1.

C. Indiana Innovation Alliance Update

Dr. Victor Lechtenberg, Vice Provost for Engagement and Interim Vice President for Governmental Relations, Purdue University, and Dr. William Stephan, Vice President for Engagement, Indiana University gave historical information and rationale on the development of the alliance, and presented up-to-date information. The Alliance is a partnership between Indiana University and Purdue University to pool financial and human resources for the purposes of: 1) developing core research capabilities; 2) pursuing large, multidisciplinary research grants; and, 3) expanding medical education and healthcare innovation. The Universities view this alliance as essential to their ability to compete nationally for major research grants going forward.

Mr. Murphy identified a change of cultures has having been the biggest challenge to the State. He believes that historically separating engineering and life sciences put Indiana ahead of other states. However, he cited that it is now critical for the biological sciences, nanotechnology, and molecular engineering to work together to achieve meaningful innovations. He applauded the Alliance.

Dr. Stephan added that the alliance will make it known to businesses that the State can respond quickly to private sector need and opportunity.

Dr. Lechtenberg commented on the interdisciplinary efforts that have taken place at the faculty level between the two institutions during the past decade, particularly in the School of Medicine.

D. Measuring Up 2008 – Indiana's Grades

Ms. Haley Glover, Associate Commissioner for Policy and Planning Studies, spoke to this report, which is produced biennially by the National Center for Public Policy and Higher Education, and measures state performance in six categories: preparation, participation, affordability, completion, benefits, and learning. Her presentation focused on Indiana's performance. Copies of the *Measuring Up* report were distributed at the Commission meeting and will be available through the Commission's website.

Brief discussion followed regarding Indiana's brain drain and the influx of uneducated citizens into the state, and on Indiana's poor performance results reported in the *Measuring Up* report.

Mr. Murphy observed that Indiana's *Measuring Up* results emphasizes the importance of the *Reaching Higher* goals and initiatives.

VII. DECISION ITEMS

A. Academic Degree Programs

1. Doctor of Philosophy in Inquiry Methodology To Be Offered by Indiana University Bloomington at Bloomington

Dr. Gerardo Gonzalez, Dean of Education, described the proposed program, which focuses on the study of both quantitative and qualitative research methodologies. Other institutions in the country tend to focus exclusively on quantitative research methods. He gave examples of employment opportunities that would be available for graduates of the program.

Discussion followed regarding the reasoning behind Inquiry Methodology as a standalone program versus being imbedded within the Learning and Developmental Science degree programs. There was also discussion regarding the recruitment of students into the program, its projected growth, and the impact it might have on the Learning and Developmental Science programs.

Mr. Slaughter asked Dr. Gerardo Gonzalez, Dean of Education, if this degree program would replace the Ph.D. in Learning and Developmental Sciences programs. Dr. Gonzalez's stated that it would not; those degree programs would continue to exist.

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

R-08-10.2 RESOLVED: That the Commission for Higher Education hereby approves the , Doctor of Philosophy in Inquiry Methodology to be offered by Indiana University Bloomington at Bloomington in accordance with the background discussion in this agenda item and the *Abstract*, November 26, 2008; and

That the Commission recommends no new state funds, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, November 26, 2008 (Motion – Murphy, second - Bepko, unanimously approved)

2. Associate of Science in Mechanical Engineering Technology To Be Offered by Ivy Tech Community College at Lafayette, Indianapolis, and Columbus

Dr. Donald Doucette, Senior Vice President and Provost, introduced Chancellor Hank Dunn and Dr. Kathleen Lee, Dean of Academic Affairs, Indianapolis, Chancellor David Bathe and Vice Chancellor of Academic Affairs Dr. Mary Ostrye of Lafayette, and Dr. Rosaline Hines, Dean of Academic Affairs, Columbus.

Dr. Marnia Kennon, Vice Provost for Academic Affairs, introduced faculty who worked on developing this program. Dr. Michael DeBourbon of Indianapolis, Mr. Steven Bardonner, Program Chair/Instructor, Mr. Jonathan Wilson, Dean, School of Fine Arts & Design, and Mrs. Susan Smith, Executive Director, Workforce & Economic Development, from Columbus. She described the proposed program, employment opportunities, and articulation agreements. She commented on the success of other new degree programs that have been approved by the Commission during the past four years.

Mr. J.T. Forbes, Director of State Government Relations, Cummins Engine, Inc., indicated that Cummins is a global Fortune 250 company manufacturing diesel engines and components and power generation systems. He spoke to the manufacturing industry's critical need for this degree program. Along with support from the Lilly Endowment, Inc., employers within the Columbus region are partnering together and moving forward to develop training programs to respond to this need. This initiative is called Echo Fifteen, which links high school, vocational, certification, apprenticeship, and associate degrees into a coherent set of options that will lead to employment opportunities within the region. The initiative will target students who need more than a high school education but less than a bachelor's degree. He said that Cummins supports Ivy Tech's proposed program as an important link to that initiative and could become a national model.

Mr. Fisher questioned Ivy Tech's expansion plans for this program. Dr. Kennon noted that the program would only be expanded to additional regions as necessary to follow the need.

There was also discussion of Ivy Tech's statewide articulation agreement with IUPUI and a proposed articulation agreement with Purdue University West Lafayette, which would apply to Purdue's engineering programs at West Lafayette and IUPUI-Columbus.

Mr. Slaughter questioned the timeline for completion of the proposed articulation agreement. Dr. Kennon stated that the College is confident that the articulation agreement will be completed by the time students begin to graduate from the program.

Dr. Sauer underscored the significance of the ABET accreditation to the development of this program and the community college system, noting that an institution must have graduates before it can attain accreditation. He clarified the earlier discussion on articulation agreement by explaining that, although the Commission prefers that local articulation agreements be in place prior to program approval, activity is clearly underway toward that end with Purdue University. Because the College has an existing articulation agreement with IUPUI that would apply to graduates of the Lafayette and Columbus programs, and because Ivy Tech and Purdue University are following the same procedures that led to successful articulation of the Electrical Engineering program, there is reason to be optimistic about completion of an articulation agreement for this program. Allowing Ivy Tech to implement this program at Lafayette and Columbus would stimulate the articulation process. Dr. Sauer noted that the background information in the agenda booklet calls for a joint progress report in six months from both Ivy Tech and Purdue University regarding discussions relating to an articulation agreement for this program. He gave the staff recommendation.

R-08-10.3 RESOLVED: That the Commission for Higher Education hereby approves the Associate of Science in Mechanical Engineering Technology to be offered by Ivy Tech Community College at Lafayette, Indianapolis, and Columbus, in accordance with the background discussion in this agenda item and the *Abstract*, November 26, 2008; and

That the Commission will consider recommending new state funds during a future budget cycle, in accordance with the supporting document, *New Academic Degree Program Proposal Summary*, November 26, 2008 and

That Ivy Tech Community College and Purdue University West Lafayette provide a progress report to the Commission for Higher Education in six months on articulation agreements with the Ivy Tech Lafayette and Columbus campuses (Motion - Murphy, second - Bepko, unanimously approved)

3. Academic Degree Programs on Which Staff Propose Expedited Action

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

R-08-10.4 RESOLVED: That the Commission for Higher Education hereby approves by consent the following degree program(s), in accordance with the background discussion in this agenda item:

- Associate of Science in Paramedic Science to be offered by Ivy Tech Community College-Sellersburg at Sellersburg

(Motion - Bepko, second - Fisher, unanimously approved)

B. Capital Projects

1. Construction of an Auxiliary Library Facility – Phase II at Indiana University Bloomington

Mr. Terry Clapacs, Vice President for Administration, presented background information on Phase I of this project and described Phase II and its funding. No new state funds were requested.

Discussion followed regarding the possibility of utilizing eAccess for documents that are rarely viewed. Mr. Clapacs stated that the University currently digitizes some documents.

As a digression from the topic of the specific project under construction, the use of insurance reserve funds for managing the risks of damages to university-owned facilities was also discussed.

Mr. Bernie Hannon, Associate Commissioner for Facilities and Financial Affairs, spoke to the funding of this project. He gave the staff recommendation.

R-08-10.5 RESOLVED: That the Commission for Higher Education hereby recommends approval to the State Budget Agency and the State Budget Committee of the project *Construction of an Auxiliary Library Facility – Phase II at Indiana University Bloomington*, as described in the project description and staff analysis dated December 1, 2008. (Motion - Rehnquist, second - Slaughter, No – Moran-Townsend, approved)

Mr. Rehnquist requested that Indiana University give a presentation at a future Commission meeting regarding self-insurance. In explaining her no vote, Ms. Moran-Townsend added that, as it applies to the *Reaching Higher* document, an auxiliary library would be low on the Commission's priorities list of how institutional funds are spent.

2. Capital Projects on Which Staff Proposes Expedited Action

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

R-08-10.6 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:

- IUPUI Restated and Amended Lease of Space from Health and Hospital Corporation of Marion County, Indiana for the Indiana University School of Medicine in Wishard Hospital and other space. This is an amended existing lease and funding for the lease payments would come from existing School of Medicine operating funds.

(Motion - Bepko, second - Slaughter, unanimously approved)

C. Corrections to 2009-11 Postsecondary Budget Recommendations

Mr. Hannon stated that changes to the budget recommendations were only technical corrections due to updates to input variables used in the formulas. There were no policy changes or additional programs or projects. He highlighted the corrections.

Mr. Murphy recalled the Commission's previous discussions to emphasize to the General Assembly in their deliberations concerning the 2009 biennial budget the Commission's funding recommendations. Dr. Bepko made a motion that the resolution be amended to specifically urge the General Assembly to not only utilize the Commission's performance based funding formulas, but to use the Commission's methodology of reducing base year appropriations and backfilling the appropriations with formula results. Mr. Murphy seconded the motion and the original motion was amended accordingly.

Mr. Sendelweck added that options also should be kept open for consideration of further reducing the capital portion of the budget recommendations as a logical response to the our state revenue forecast released the previous day.

R-08-10.7 RESOLVED: That the Commission for Higher Education hereby adopts the corrected postsecondary budget recommendations for the 1009-11 biennium, and

That the Commission strongly urges the General Assembly to utilize the Commission's performance based funding formulas, and to use the Commission's methodology of reducing base year appropriations and backfilling the appropriations, whatever the level, with formula results, and

That, in light of the new revenue projections issued, the Commission does not now recommend a revised appropriation amount other than that included in the Commission's formal budget recommendation of December 12, 2008, recognizing that to be within the sole purview of the General Assembly. (Motion – Bepko, second - Bland, unanimously approved)

D. Reaching Higher Dashboard Indicators

Mr. Costas stated that this item is still a work in progress and that no action would be taken on this item. The indicators are the Commission's report card and a metric for gauging its progress regarding the goals outlined in the *Reaching Higher* document.

Ms. Haley Glover, Associate Commissioner for Policy and Planning Studies, presented an update of the Commission's progress. A handout of the dashboard metrics was distributed to Commission members.

Mr. Murphy indicated that it is important to insure Indiana's unique financial aid programs are represented in the affordability metric in the dashboard.

Bepko commended staff, Ms. Glover in particular, on the efficient manner in which they have moved the *Reaching Higher* document through the various stages and edits from its original format. He believes that the document is improving as it progresses and it is both faithful to the original plans and clear and concise to the public. Combined with the Commission's recommended funding formulas and policy-making over the past two years, Reaching Higher could place Indiana among the very best states in the country in challenging and measuring higher education.

Mr. Murphy and Dr. Bepko commented that where the dashboard deviates from the original *Reaching Higher* document staff should bring forward an amendment to the original document.

E. 2008 Improving Teacher Quality Partnership Program Funding Recommendations

Ms. Aja May, Manager of Programs and Communication, described the Partnership program and its purpose, and presented the funding recommendations. The recommendations were published in the agenda booklet.

R-08-10.8 RESOLVED: That the Commission for Higher Education hereby approves the awards outlined in the document *2008 Improving Teacher Quality Partnership Program Competition: Proposals Recommended for Funding*, December 12, 2008. (Motion – Moran-Townsend, second - Lehman, unanimously approved)

F. Acceptance of Public Institution Student Information Systems (SIS) Data for 2007-08

Ms. Jennifer Seabaugh, Manager of Information Systems, presented the SIS data. A comparison of degrees conferred by resident and non-resident students was also presented, but did not require Commission action. The SIS data report was published in the agenda booklet.

R-08-10.8 RESOLVED: That the Commission for Higher Education hereby adopts the 2007-2008 Annual Student Information system (SIS) data, as submitted by the institutions, for Indiana University, Purdue University, Ball State University, Indiana State University, University of Southern Indiana, Vincennes University and Ivy Tech Community College of Indiana as the official source for Commission analyses on all pertinent subjects in accordance with the supporting documentation.. (Motion – Rehnquist, second - Sendelweck, 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 November Commission Working Sessions
- E. Calendar of Upcoming Commission Meetings

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 11:55 a.m.

Jon Costas, Chair

Marilyn Moran-Townsend, Secretary